

SANMINA-SCI CORP

FORM 10-K (Annual Report)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 29, 2007

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 0-21272

Sanmina-SCI Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

77-0228183

(I.R.S. Employer
Identification Number)

2700 North First Street, San Jose, CA

(Address of principal executive offices)

95134

(Zip Code)

Registrant's telephone number, including area code:

(408) 964-3500

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$0.01 Par Value

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Act. Yes ☐
No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such

filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated or, a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate value of Common Stock held by non-affiliates of the Registrant was approximately \$652,534,171 as of November 14, 2007 based upon the average of Registrant's Common Stock reported for such date on the Nasdaq National Market. Shares of Common Stock held by each executive officer and director and by each entity who owns 5% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. The determination of affiliate status is not necessarily a conclusive determination for other purposes. As of November 14, 2007, the Registrant had outstanding 530,079,821 shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information is incorporated into Part III of this report by reference to the Proxy Statement for the Registrant's annual meeting of stockholders to be held on January 28, 2008 to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Form 10-K.

SANMINA-SCI CORPORATION

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PART I

Item 1. *Business*

Overview

We are an independent global provider of customized, integrated electronics manufacturing services, or EMS. We provide these comprehensive services primarily to original equipment manufacturers, or OEMs, in the communications, computing and storage, multimedia, industrial and semiconductor capital equipment, defense and aerospace, medical, and automotive industries. The combination of our advanced technologies, extensive manufacturing expertise and economies of scale enables us to meet the specialized needs of our customers in these markets in a cost-effective manner.

Our end-to-end services in combination with our global expertise in supply chain management enable us to manage our customers' products throughout their life cycles. These services include:

- product design and engineering, including initial development, detailed design, preproduction services and manufacturing design;
- volume manufacturing of components, subassemblies and complete systems;
- final system assembly and test;
- direct order fulfillment and logistics services; and
- after-market product service and support.

Our high volume manufacturing services are vertically integrated, allowing us to manufacture key system components and subassemblies for our customers. By manufacturing key system components and subassemblies ourselves, we enhance continuity of supply and reduce costs for our customers. In addition, we are able to have greater control over the production of our customers' products and retain incremental profit opportunities for the company. System components and subassemblies that we manufacture include high-end printed circuit boards, printed circuit board assemblies, backplanes and backplane assemblies, enclosures, cable assemblies, precision machine components, optical modules and memory modules.

We manufacture products in 19 countries on five continents. We seek to locate our facilities near our customers and our customers' end markets in major centers for the electronics industry or in lower cost locations. Many of our plants located near customers and their end markets are focused primarily on final system assembly and test, while our plants located in lower cost areas engage primarily in high volume, less complex component and subsystem manufacturing and assembly.

We have become one of the largest global EMS providers by capitalizing on our competitive strengths, including our:

- end-to-end services;
- product design and engineering resources;
- vertically integrated manufacturing services;
- advanced technologies;
- global capabilities;
- customer-focused organization;
- expertise in serving diverse end markets; and
- experienced management team.

Industry Overview

EMS companies are the principal beneficiaries of the increased use of outsourced manufacturing services by the electronics and other industries. Outsourced manufacturing refers to an OEMs' use of EMS companies, rather than internal manufacturing capabilities, to manufacture their products. Historically, EMS companies generally manufactured only components or partial assemblies. As the EMS industry has evolved, OEMs have increased their reliance on EMS companies for additional, more complex manufacturing services, including design services. Some EMS companies now often manufacture and test complete systems and manage the entire supply chains of their customers. Industry leading EMS companies offer end-to-end services, including product design and engineering, volume manufacturing, final system assembly and test, direct order fulfillment, after-market product service and support and global supply chain management.

We believe increased outsourced manufacturing by OEMs will continue because it allows OEMs to:

Reduce Operating Costs and Capital Investment. In the current economic environment, OEMs are under significant pressure to reduce manufacturing costs and capital expenditures. EMS companies can provide OEMs with flexible, cost-efficient manufacturing services. In addition, as OEM products have become more technologically advanced, the manufacturing and system test processes have become increasingly automated and complex, requiring significant capital investments. EMS companies enable OEMs to access technologically advanced manufacturing and test equipment and facilities, without additional capital expenditures.

Focus on Core Competencies. The electronics industry is highly competitive and subject to rapid technological change. As a result, OEMs increasingly are focusing their resources on activities and technologies in which they expect to add the greatest value. By offering comprehensive manufacturing services and supply chain management, EMS companies enable OEMs to focus on their core competencies, including next generation product design and development as well as marketing and sales.

Access Leading Design and Engineering Capabilities. The design and engineering of electronics products has become more complex and sophisticated and in an effort to become more competitive, OEMs are increasingly relying on EMS companies to provide product design and engineering support services. EMS companies' design and engineering services can provide OEMs with improvements in the performance, cost and time required to bring products to market. EMS companies are providing more sophisticated design and engineering services to OEMs, including the design and engineering of complete products following an OEM's development of a product concept.

Improve Supply Chain Management and Purchasing Power. OEMs face challenges in planning, procuring and managing their inventories efficiently due to fluctuations in customer demand, product design changes, short product life cycles and component price fluctuations. EMS companies employ sophisticated production management systems to manage their procurement and manufacturing processes in an efficient and cost-effective manner so that, where possible, components arrive on a just-in-time, as-and-when needed basis. EMS companies are significant purchasers of electronic components and other raw materials, and can capitalize on the economies of scale associated with their relationships with suppliers to negotiate price discounts, obtain components and other raw materials that are in short supply, and return excess components. EMS companies' expertise in supply chain management and their relationships with suppliers across the supply chain enable them to help OEMs reduce their cost of goods sold and inventory exposure.

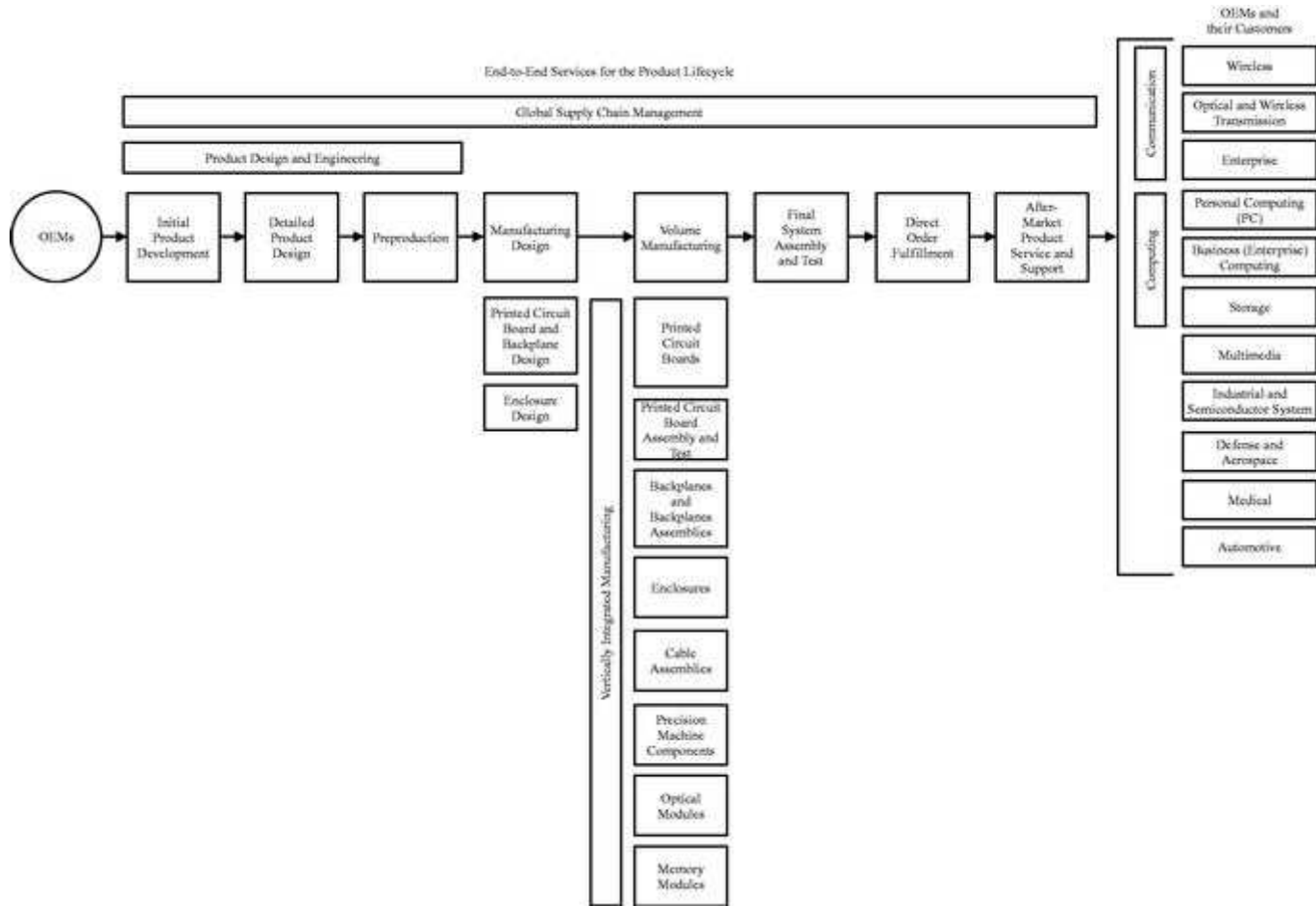
Access Global Manufacturing Services. OEMs seek to reduce their manufacturing costs by having EMS companies manufacture their products in the lowest cost locations that are appropriate for their products and end customers. OEMs also are increasingly requiring particular products to be

manufactured simultaneously in multiple locations, often near end users, to bring products to market more quickly, reduce shipping and logistics costs and meet local product content requirements. Global EMS companies are able to satisfy these requirements by capitalizing on their geographically dispersed manufacturing facilities, including those in lower cost regions.

Accelerate Time to Market. OEMs face increasingly short product life cycles due to increased competition and rapid technological changes. As a result, OEMs need to reduce the time required to bring their products to market. OEMs often can bring a product to market faster by using EMS companies' expertise in new product introduction, including manufacturing design, engineering support and prototype production. OEMs often can more quickly achieve volume production of their products by capitalizing on EMS companies' manufacturing expertise and global presence and infrastructure.

Competitive Overview

We offer our OEM customers end-to-end services that span the entire product life cycle:



Competitive Strengths

We believe that our competitive strengths differentiate us from our competitors and enable us to better serve the needs of OEMs. Our competitive strengths include:

- End-to-End Services.** We provide services throughout the world to support our customers' products during their entire life cycle, from product design and engineering, through volume manufacturing, to direct order fulfillment and after-market product service and support. We believe that our end-to-end services are more comprehensive than the services offered by our competitors because of our focus on adding value before and after the actual manufacturing of

our customers' products. Our end-to-end services enable us to provide our customers with a single source of supply for their EMS needs, reduce the time required to bring products to market, lower product costs and allow our customers to focus on those activities in which they expect to add the highest value. We believe that our end-to-end services allow us to develop closer relationships with our customers and more effectively compete for their future business.

- **Product Design and Engineering Resources.** We provide product design and engineering services for new product designs, cost reductions and design for manufacturability (DFx). Our global design and engineering teams include approximately 450 engineers located in 24 design centers and New Product Introduction (NPI) centers in 14 countries. Our engineers work with our customers during complete product life cycle. Our design centers provide hardware, software, ECAD, verification, regulatory, and testing services. We design high speed digital, analog, radio frequency, wired, wireless, optical and electro-mechanical products.

Our engagement models include Joint Design Manufacturing (JDM), Contract Design Manufacturing (CDM) and consulting engineering for DFx and RoHS. We focus on industry segments to align with our technology focused markets. These include Communications, Medical, Defense & Aerospace, Enterprise Servers and Storage as well our vertically integrated components technologies, i.e. printed circuit boards, enclosures, memory modules and cable assemblies.

In the JDM model, our customers bring market knowledge and product requirements. We offer complete design engineering and NPI services. For JDM products, typically the intellectual property is jointly owned by us and the customer and we realize manufacturing revenue associated with building and shipping the product.

- **Vertically Integrated Volume Manufacturing Services.** We provide a range of vertically integrated volume manufacturing services. Key system components that we manufacture include complete printed circuit boards and printed circuit board assemblies, backplanes and backplane assemblies, enclosures, cable assemblies, precision machine components, memory modules and optical modules. By manufacturing these system components and subassemblies ourselves, we enhance continuity of supply and reduce costs for our customers. In addition, we are able to have greater control over the production of our customers' products and retain incremental profit opportunities for us. Examples of products that we manufacture using our full range of services include wireless base stations, network switches, optical switches, enterprise-class servers, photolithography equipment, and equipment used in the semiconductor chip manufacturing process, including equipment for chemical mechanical polishing and physical vapor depositions and automated handling tools and robotics for wafer transfer.
- **Advanced Technologies.** We provide services utilizing advanced technologies, which we believe allows us to differentiate ourselves from our competitors. These advanced technologies include the fabrication of complex printed circuit boards and backplanes having over 60 layers and process capabilities for a range of low signal loss, high performance materials, buried capacitors and resistors, and high density interconnects using micro via holes that are formed using laser drills. Our printed circuit board assembly technologies include micro ball grid arrays, fine pitch discretes, and small form factor radio frequency and optical components, as well as advanced packaging technologies used in high pin count application specific integrated circuits and network processors. We use innovative design solutions and advanced metal forming techniques to develop and fabricate high-performance indoor and outdoor chassis, enclosures and frames. Our assembly services use advanced technologies, including precision optical alignment, multi-axis precision stages and machine vision technologies. We use sophisticated procurement and production management tools to effectively manage inventory for our customers and ourselves. We have also developed build-to-order, or BTO, and configure-to-order, or CTO,

systems that enable us to manufacture and ship finished systems within 48 to 72 hours after receipt of an order. To coordinate the development and introduction of new technologies to meet our customers' needs in various locations and to increase collaboration among our facilities, we have established a centralized global technology group.

- ***Global Capabilities.*** Most of our customers compete and sell their products on a global basis. As such, they require global solutions that include regional manufacturing for selected end markets, especially when time to market, local manufacturing or content and low cost solutions are critical objectives. Our global network of facilities in 19 countries provides our customers a combination of sites to maximize both the benefits of regional and low cost manufacturing. To manage and coordinate our global operations, we employ an enterprise-wide software system that operates on a single IT platform and provides us with company-wide information regarding component inventories and orders. This system enables us to standardize planning and purchasing at the plant level and to optimize inventory management and utilization. Our systems also enable our customers to receive key information regarding the status of individual programs.
- ***Customer-Focused Organization.*** We believe customer relationships are critical to our success, and our organization is focused on providing our customers with responsive services. Our key customer accounts are managed by dedicated account teams, including a global business manager directly responsible for account management. Global business managers coordinate activities across divisions to effectively satisfy our customers' requirements and have direct access to our senior management to quickly address customer concerns. Local customer account teams further support the global teams and are linked by a comprehensive communications and information management infrastructure.
- ***Expertise in Serving Diverse End Markets.*** We have experience in serving our customers in the communications, personal and business computing, enterprise computing and storage, multimedia and consumer, industrial and semiconductor capital equipment, defense and aerospace, medical and automotive markets. Our diversification across end markets reduces our dependence upon any one customer or segment. In order to cater to the specialized needs of customers in particular market segments, we have dedicated personnel, and in some cases facilities, with industry-specific capabilities and expertise. We also maintain compliance with industry standards and regulatory requirements applicable to certain markets including, among others, the medical and defense and aerospace sectors.
- ***Experienced Management Team.*** We believe that one of our principal assets is our experienced management team. Our chief executive officer, Jure Sola, co-founded Sanmina in 1980. Hari Pillai, President, EMS Operations, joined our Company in 1994 and has served in manufacturing management positions since that time. We believe that the significant experience of our management team better enables us to capitalize on opportunities in the current business environment.

Our Business Strategy

Our objective is to maintain and enhance our leadership position in the EMS industry. Key elements of our strategy include:

Capitalizing on Our Comprehensive Services. We intend to capitalize on our end-to-end services, which we believe will allow us to both sell additional services to our existing customers and attract new customers. Our end-to-end services include product design and engineering, volume manufacturing, final system assembly and test, direct order fulfillment, after-market product service and support and supply chain management. Our vertically integrated volume manufacturing services enable us to manufacture additional system components and subassemblies for our customers. When we provide a

customer with a number of services, such as component manufacturing or higher value-added services, we are often able to improve our margins and profitability. Consequently, our goal is to increase the number of manufacturing programs for which we provide multiple services. To achieve this goal, our sales and marketing organization seeks to cross-sell our services to customers.

Extending Our Technology Leadership. We rely on advanced processes and technologies to provide our vertically integrated volume manufacturing services. We continually strive to improve our manufacturing processes and have adopted a number of quality improvement and measurement techniques to monitor our performance. We work with our customers to anticipate their future manufacturing requirements and align our technology investment activities to meet their needs. We use our design expertise to develop product technology platforms that we can customize by incorporating other components and subassemblies to meet the needs of particular OEMs. These technologies enhance our ability to manufacture complex, high-value added products, allowing us to continue to win business from existing and new customers.

Joint Design Manufacturing Solutions. As a result of customer feedback, and our customers' desire to manage research and development expenses, we have expanded product designs services to develop systems and components jointly with our customers. In joint design manufacturing model, or JDM, our customers bring market knowledge and product requirements. We offer complete design engineering and NPI services. Our offerings in design engineering include product architecture, development, integration, regulatory and qualification services; while NPI services include quick-turn prototyping, functional test development and introduction into volume production. For JDM products, typically the intellectual property is jointly owned by us and the customer and we realize manufacturing revenue associated with building and shipping the product.

Continuing to Penetrate Diverse End Markets. We focus our marketing efforts on major end markets within the electronics industry. We have targeted markets that we believe offer significant growth opportunities and for which OEMs sell complex products that are subject to rapid technological change because the manufacturing of these products requires higher value-added services. Our approach to our target markets is two-fold: we intend to strengthen our significant presence in the communications and enterprise computing markets, and also focus on under-penetrated target markets, including the medical, industrial and semiconductor capital equipment, automotive, and defense and aerospace industries, many of which have not extensively relied upon EMS companies in the past. We intend to continue our diversification across market segments and customers to reduce our dependence on any particular market.

Pursuing Strategic Transactions. We seek to undertake strategic transactions that give us the opportunity to access new customers, manufacturing and service capabilities, technologies and geographic markets, to lower our manufacturing costs and improve the margins on our product mix, and to further develop existing customer relationships. In addition, we will continue to pursue OEM divestiture transactions that will augment existing strategic customer relationships with favorable supply agreement terms or build new relationships with customers in attractive end markets. Potential future transactions may include a variety of different business arrangements, including acquisitions, spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations and equity or debt investments. We intend to continue to evaluate and pursue strategic opportunities on a highly selective basis.

Continuing to Seek Cost Savings and Efficiency Improvements. We seek to optimize our facilities to provide cost-efficient services for our customers. We maintain extensive operations in lower cost locations, including Latin America, Eastern Europe, China and Southeast Asia, and we plan to expand our presence in these lower cost locations, as appropriate, to meet the needs of our customers. We believe that we are well positioned to take advantage of future opportunities on a global basis as a result of our vertically integrated volume manufacturing strategy.

Our Products and Services

We offer our OEM customers end-to-end services that span the entire product life cycle. Examples of products that we manufacture for OEMs include wireless and wireline communications, high-end computer servers and storage, avionics, medical imaging and diagnostic systems and digital satellite set-top boxes. To manufacture these products may require us to use all or some of our end-to-end services.

Product Design and Engineering. Our design and engineering groups, provide customers with design and engineering services from initial product design and detailed product development to production. This group also complements our vertically integrated volume manufacturing capabilities by providing manufacturing design services for the manufacture of printed circuit boards, backplanes and enclosures. Our offerings in design engineering include product architecture, development, integration, regulatory and qualification services; while NPI services include quick-turn prototype, functional test development and introduction in to volume production.

We provide initial product development and detailed product design and engineering services for products such as communications base stations, optical switches and modules, radio frequency amplifier modules, network switches, computer servers and storage products. We follow a well defined product life cycle process during our design and development.

- **Initial Product Development.** We provide a range of design and engineering services to customers to complement their initial product development efforts. During this phase, our design engineers work with our customers' product design engineers to assist with product concepts, selecting key components and design reviews.
- **Detailed Product Design.** During the detailed product development phase, we work with our customers' product development engineers to optimize product designs to improve the efficiency of the volume manufacturing (DFM) of these products and reduce manufacturing costs. We further analyze product design to improve the ability of tests (DFT) used in the manufacturing process to identify product defects and failures. We provide software development support for product development, including installing operating systems on hardware platforms, developing software drivers for electronic devices, and developing diagnostic, production test and support software. We design components that are incorporated into our customers' products, including printed circuit boards, backplanes, enclosures and cables.
- **Preproduction.** After a detailed product design has been completed and the product is released for prototype production, we can build a prototype on a quick turnaround basis. We then analyze the feasibility of manufacturing the product and make any necessary design modifications to the prototype and re-test the prototype to validate its design. We also provide early-stage test development during the prototype phase. We evaluate prototypes to determine if they will meet safety and other standards, such as standards published by Underwriters Laboratories, an independent product safety testing and certification organization, and other similar domestic and international organizations. We also typically provide low-volume manufacturing to satisfy our customers' initial needs. We review the material and component content of our customers' designs with a view to designing in alternative components that may provide cost savings. Our preproduction services help our customers reduce the time required to bring new products to market.
- **Manufacturing Design Services.** We provide design and technology support for our vertically integrated system components and subassemblies, including:
 - **Printed Circuit Board and Backplane Design.** We support our customers with printed circuit board and backplane design and development assistance for optimizing performance, manufacturability and cost factors critical to overall system performance. These printed

circuit boards and backplanes incorporate high layer counts and large form factors and are used in complex products such as optical networking products and communications switches. These designs also incorporate component miniaturization technologies and other advanced technologies that increase the number and density of components that can be placed on a printed circuit board. These technologies enable OEMs to provide greater functionality in smaller products. We also provide signal integrity engineering services, which enable the transmission of high speed electrical signals through a system while maintaining signal quality and data integrity.

- **Enclosure Design.** We have a dedicated enclosure design group that designs and engineers complex enclosures. We can design custom enclosures to meet customer specifications and offer a range of proprietary designs tailored to particular applications. Our enclosure design services include the design of thermal management systems, which dissipate heat generated by the components within an enclosure. We design enclosures that are used in both indoor and outdoor environments. We also design enclosures that include both stackable and rack mount chassis configurations. In stackable configurations, component modules are stacked on top of each other, while in rack mount configurations, component modules slide into racks within the enclosure. Rack mount configurations often are used for complex products, such as communications switches that are frequently upgraded in the field by inserting new components. Our design engineers work with a range of materials, including metal, plastic and die-cast material. We design indoor and outdoor wireless base station cabinets, enclosures for high-end servers and data storage systems and enclosures for magnetic resonance imaging systems.

Volume Manufacturing. Volume manufacturing includes our vertically integrated manufacturing services described in greater detail below.

- **Printed Circuit Boards.** We have the ability to produce multilayer PCBs on a global basis with high layer counts and fine line circuitry. Our ability to support New Product Introduction and Quick Turn fabrication followed by volume manufacturing in both North America and Asia allows our customers to accelerate their time to market, as well as their time to volume. Standardized processes and procedures make transitioning of products easier for our customers. Our Technology Roadmaps provide leading edge capabilities and higher yielding processes. Engineering teams are available on a world-wide basis to support designers in Design for Manufacturability (DFM) analysis and assemblers with Field Application Support.

Printed circuit boards are made of fiberglass/resin laminated material layers and contain copper circuits which interconnect and transmit electrical signals among the components that make up electronic devices. Increasing the density of the circuitry in each layer is accomplished by reducing the width of the circuit tracks and placing them closer together in the printed circuit board along with adding layers and via hole structures. We are currently capable of efficiently producing printed circuit boards with up to 60 layers and circuit track widths as narrow as two mils (50 micron) in production volumes. Specialized production equipment along with an in-depth understanding of high performance laminate materials allow for fabrication of some of the largest form factor and highest speed (over 12.5 Gbps) backplanes available in the industry. We have also developed several proprietary technologies and processes which improve electrical performance, connection densities and reliability of printed circuit boards. Some of these technologies, such as Buried Capacitance Tm, have become industry standards and are actively licensed to other board fabricators.

- **Printed Circuit Board Assembly and Test.** Printed circuit board assembly involves attaching electronic components, such as integrated circuits, capacitors, microprocessors, resistors and memory modules, to printed circuit boards. The most common technologies used to attach

components to printed circuit boards employ surface mount technology, or SMT, and pin-through-hole assembly, or PTH. SMT involves the use of an automated assembly system to place and solder components to the printed circuit board. In PTH, components are placed on the printed circuit board by insertion into holes punched in the circuit board. Components also may be attached using press-fit technology in which components are pressed into connectors affixed to the printed circuit board. We use SMT, PTH, press-fit as well as new attachment technologies that are focused on miniaturization and increasing the density of component placement on printed circuit boards. These technologies, which support the needs of our OEM customers to provide greater functionality in smaller products, include chip-scale packaging, ball grid array, direct chip attach and high density interconnect. We perform in-circuit and functional testing of printed circuit board assemblies. In-circuit testing verifies that all components have been properly inserted and attached and that the electrical circuits are complete. We perform functional tests to confirm that the board or assembly operates in accordance with its final design and manufacturing specifications. We either design and procure test fixtures and develop our own test software, or we use our customers' test fixtures and test software. In addition, we provide environmental stress tests of the board or assembly that are designed to confirm that the board or assembly will meet the environmental stresses, such as heat, to which it will be subject.

- ***Backplanes and Backplane Assemblies.*** Backplanes are very large printed circuit boards that serve as the backbones of sophisticated electronics products and provide interconnections for printed circuit boards, integrated circuits and other electronic components. We fabricate backplanes in our printed circuit board plants. Backplane fabrication is significantly more complex than printed circuit board fabrication due to the large size and thickness of the backplanes. We manufacture backplane assemblies by press fitting high density connectors into plated through holes in the bare backplane. In addition, many of the newer higher technology backplanes require SMT attachment of passive discrete components as well as high pin count Ball Grid Array packages. These advanced assembly processes require specialized equipment and a strong focus on quality and process control. We also perform in-circuit and functional tests on backplane assemblies. We have developed proprietary technology and "know-how" which enables backplanes to run at data rates in excess of 10 gigabits per second, or Gbps. We currently have capabilities to manufacture backplanes with up to 60 layers in sizes up to 27.5x42 inches and 0.500 inches in thickness, utilizing a wide variety of high performance laminate materials. These are among the largest and most complex commercially manufactured backplanes, and we are one of a limited number of manufacturers with these capabilities.
- ***Enclosures.*** Enclosures are cabinets that house and protect complex and fragile electronic components, modules and subsystems. Our enclosure manufacturing services include fabrication of cabinets, chassis and racks integrated with various electronic components such as power and thermal management systems. We manufacture a broad range of enclosures with numerous materials including metal, plastics and die cast materials. Enclosures we manufacture range from basic enclosures, such as enclosures for personal computers, to large and highly complex enclosures, such as those for indoor and outdoor communications base station products.
- ***Cable Assemblies.*** Cable assemblies are used to connect modules, assemblies and subassemblies in electronic devices. We provide a broad range of cable assembly products and services. We design and manufacture a broad range of high-speed data, radio frequency and fiber optic cabling products. Cable assemblies that we manufacture are often used in large rack systems to interconnect subsystems and modules.
- ***Precision Machine Components.*** We provide a broad range of manufacturing services for metals and plastics. With some of the largest horizontal milling machines in the United States, we are a supplier of vacuum chamber systems for the semiconductor and flat panel display equipment markets. We also support a number of other markets such as medical and Oil and Gas

Exploration. We are able to support both low volume engineering programs and high volume production. We utilize advanced computer numerically controlled machined tools enabling the manufacture of components to very tight tolerance standards.

- **Optical Modules.** Optical modules are integrated subsystems that use a combination of industry standard and/or custom optical components. We are a provider of complete optical systems for customers in telecommunications, networking, and military markets. Our experience in optical communications and networking products spans long haul/ultra long haul and metro regions for transport, access and switching applications, including last mile solutions. Our service offerings for optical communications customers are designed to deliver end-to-end solutions with special focus on system design, optical module assembly, optical test and integration.
- **Memory Modules.** Memory modules are integrated subsystems that use industry standard integrated circuits including processors, digital signal processors, or DSPs, non-volatile flash memory and dynamic random access memory, or DRAM. These modules consist of standard products that are sold for a wide range of applications to a broad base of customers and custom modules that are built and extensively tested for use in a particular OEM's product or system. We design and manufacture a variety of modular solutions, including standard and custom processor modules, flash memory modules and DRAM modules. In addition, we supply solutions to increase memory component density on printed circuit boards. We offer advanced NexMod memory modules that contain multiple RDRAM memory layers vertically stacked and mounted to a printed circuit board. NexMod solutions are tailored for high-end network infrastructure and complex server applications. We also provide innovative DDRI and DDRII DRAM modules utilizing stacked CSP technology, Ram-Stack™, offering high densities in ultra small form factors. We provide custom module solutions including mixed memory and our proprietary foldable rigid assembly microelectronics module, or FRAMM. We integrate both standard and custom modules in products that we manufacture.

Final System Assembly and Test. We provide final system assembly and test in which assemblies and modules are combined to form complete, finished products. We often integrate printed circuit board assemblies manufactured by us with enclosures, cables and memory modules that we also produce. Our final assembly activities also may involve integrating components and modules that others manufacture. The complex, finished products that we produce typically require extensive test protocols. Our test services include both functional and environmental tests. We also test products for conformity to applicable industry, product integrity and regulatory standards. Our test engineering expertise enables us to design functional test processes that assess critical performance elements, including hardware, software and reliability. By incorporating rigorous test processes into the manufacturing process, we can help to assure our customers that their products will function as designed. Products for which we currently provide final system assembly and test include wireless base stations, wire line communications switches, optical networking products, high-end servers and personal computers.

Direct Order Fulfillment. We provide direct order fulfillment for our OEM customers. Direct order fulfillment involves receiving customer orders, configuring products to quickly fill the orders and delivering the products either to the OEM, a distribution channel (such as a retail outlet) or directly to the end customer. We manage our direct order fulfillment processes using a core set of common systems and processes that receive order information from the customer and provide comprehensive supply chain management, including procurement and production planning. These systems and processes enable us to process orders for multiple system configurations, and varying production quantities, including single units. Our direct order fulfillment services include BTO and CTO capabilities. BTO involves building a system having the particular configuration ordered by the OEM customer. CTO involves configuring systems to an end customer's order. The end customer typically places this order by choosing from a variety of possible system configurations and options. We are capable of meeting a 48 to 72 hour turn-around-time for BTO and CTO by using advanced

manufacturing processes and a real-time warehouse management system and data control on the manufacturing floor. We support our direct order fulfillment services with logistics that include delivery of parts and assemblies to the final assembly site, distribution and shipment of finished systems, and processing of customer returns. Our systems are sufficiently flexible to support direct order fulfillment for a variety of different products, such as desktop and laptop computers, servers, workstations, set-top boxes, medical devices, scanners, printers and monitors.

Global Supply Chain Management

Supply chain management involves the planning, purchasing and warehousing of product components. The objective of our supply chain management services is to reduce excess component inventory in the supply chain by scheduling deliveries of components on a just-in-time, as-and-when-needed basis. We use sophisticated production management systems to manage our procurement and manufacturing processes in an efficient and cost effective manner. We collaborate with our customers to enable us to respond to their changing component requirements for their products and to reflect any changes in these requirements in our production management systems. These systems often enable us to forecast future supply and demand imbalances and develop strategies to help our customers manage their component requirements. Our enterprise-wide software systems provide us with company-wide information regarding component inventories and orders to standardize planning and purchasing at the plant level. These systems enable us to transfer product components between plants to respond to changes in customer requirements or to address component or other raw material shortages.

We purchase large quantities of electronic components and other raw materials from a range of suppliers. As a result, we often receive volume discounts or other favorable terms from suppliers, which can enable us to provide our customers with greater cost reductions than they can obtain themselves. Our supplier relationships often enable us to obtain electronic components and other raw materials that are in short supply or return excess inventories to suppliers even when they are not contractually obligated to accept them.

Our End Markets

We have targeted markets that we believe offer significant growth opportunities and for which OEMs sell complex products that are subject to rapid technological change. We believe that markets involving complex, rapidly changing products offer us opportunities to produce products with higher margins because these products require higher value added manufacturing services and may also include our advanced vertically integrated components. Our approach to our target markets is two-fold—we intend to strengthen our significant presence in the communications and computing markets, while also focusing on other under-penetrated target markets, including the medical, automotive, industrial and semiconductor capital equipment and defense and aerospace industries, many of which have not extensively relied upon EMS companies in the past. Our diversification across market segments and customers reduces our dependence on any particular market.

Communications: Wireless, Optical and Wireline Transmission and Enterprise. In the communications sector, we focus on wireless transmission systems, optical networking and enterprise networking systems. Our product design and engineering staff has extensive experience designing advanced communications products for these markets. Products we manufacture include point-to-point microwave systems, optical switches and transmission hardware, wireless base stations, wireline switches, routers, transceivers, satellite receivers, and various radio frequency appliances, among others.

Computing: Personal and Business (Enterprise) Computing and Storage Systems. We provide services for OEMs of personal computers (PC), enterprise computing, and storage systems.

We provide services to multiple major PC manufacturers. These services include primarily BTO and CTO manufacturing of desktop PC systems serving primarily the enterprise markets. Our PC manufacturing plants can build and configure systems and have them ready for shipment within 48 to 72 hours of receipt of a customer order. These plants are typically located in the geographic region to which the finished system will be shipped to rapidly deliver finished products. We intend to separate the personal and business computing business unit from our core operations either by means of a sale or other disposition of the business. We expect the disposition of this business to occur within the next twelve months.

We also provide services to enterprise server and storage markets. Our expertise in manufacturing products for the storage and server markets stems from our technological capabilities and vertical integration. We are also a vertically integrated supplier of complex, multilayer printed circuit boards and backplanes, and many high-end computer designs incorporate these components. High-end computing products we manufacture include complex, fault tolerant servers and enterprise storage.

Multimedia. We manufacture digital set-top boxes, point of sale equipment, digital cameras, digital home gateways, professional audio-video equipment and internet protocol entertainment devices. For our multimedia OEM customers, we manage the production process for multimedia products, including product design and engineering, test development, supply chain management, manufacturing of printed circuit boards and assemblies, final system assembly and test, and direct order fulfillment, including our BTO and CTO capabilities.

Industrial and Semiconductor Systems. Our expertise in manufacturing highly complex systems includes production of semiconductor capital equipment, front-end environmental chambers, computer controllers, and test and inspection equipment. We also have significant experience manufacturing scanning equipment and devices, flat panel display test and repair equipment, optical inspection and x-ray equipment for use in the printed circuit board assembly industry, Explosive Detection equipment, and deep ultraviolet photolithography equipment.

Defense and Aerospace. In December 2001, we merged with SCI Systems, Inc., or SCI. SCI began operations as Space-Craft, Inc., in the early 1960's and was then principally a supplier to the defense and aerospace industries. We continue to offer our end-to-end services to the defense and aerospace industry. We believe that this industry currently represents a significant growth opportunity for us due to increased defense spending, as well as the growing desire of defense and aerospace OEMs to outsource non-core manufacturing activities in order to reduce costs. We believe our experience in serving the aerospace industry, as well as our product design and engineering capabilities, represent key competitive strengths for us in the defense and aerospace market. Defense and aerospace products that we design and manufacture include avionics systems, weapons guidance systems, cockpit communications systems, tactical and secure network communications systems, detection systems for homeland defense and space systems.

Medical. We provide comprehensive manufacturing and related services to the medical industry, including design and regulatory approval support. The manufacturing of products for the medical industry requires compliance with domestic and foreign regulations, including the Food and Drug Administration's, or FDA's, quality system regulations and the European Union's medical device directive. In addition to complying with these standards, our medical manufacturing facilities comply with ISO 13485 (formerly EN 46002) and ISO 9001:2000. Medical products that we manufacture include blood glucose meters, computer tomography scanners, respiration monitors, ventilators, anesthesia workstations, thermo-regulation devices, and cardio-resuscitation systems.

Automotive. We started approximately 3 years ago to focus on the automotive industry by establishing a dedicated group and by focusing on selective opportunities. Today we manufacture different types of sensors, body controllers, engine control units, Radios, HVAC control heads, blower

modules as well as cables for entertainment solutions. For our mainly "Tier 1" customers we provide design support, product and process qualification (PPAP), manufacturing, supply chain management, supplier quality assurance and EOL services. All our automotive dedicated factories are TS 16949 certified and are providing printed circuit boards, PCB assemblies, cables, as well as final systems.

Customers

A relatively small number of customers have historically been responsible for a significant portion of our net sales. Sales to our ten largest customers represented 61.5% of our fiscal 2007 net sales, 60.8% of our fiscal 2006 net sales and 63.9% of our fiscal 2005 net sales. For fiscal 2007, three customers, IBM, Lenovo and HP, represented greater than 10% of our net sales at 11.6%, 11.2% and 11.1%, respectively. For fiscal 2006, three customers, IBM, Lenovo and HP, represented greater than 10% of our net sales at 12.8%, 10.5% and 10.0%, respectively.

We seek to establish and maintain long-term relationships with our customers and have served many of our principal customers for several years. Historically, we have had substantial recurring sales from existing customers. We have also expanded our customer base through acquisitions and our marketing and sales efforts. We have been successful in broadening relationships with customers by providing vertically integrated products and services, as well as multiple products and services in multiple locations.

We typically enter into supply agreements with our major OEM customers with terms ranging from three to five years. Many of these supply agreements were entered into in connection with divestiture transactions, which are transactions in which we also acquire plants, equipment and inventory from the OEM. In these divestiture-related supply agreements, the customer typically agrees to purchase from us its requirements for particular products in particular geographic areas and for a specific period of time. Our OEM customer supply agreements that were not entered into in connection with divestitures typically do not require the customer to purchase their product requirements from us, and in these cases customers may have alternate sources of supply available to them. Our supply agreements with our OEM customers generally do not obligate the customer to purchase minimum quantities of products. However, the customer typically remains liable for the cost of the materials and components that we have ordered to meet the customer's production forecast but which are not used, provided that the material was ordered in accordance with an agreed-upon procurement plan. In some cases, the procurement plan contains provisions regarding the types of materials for which our customers will assume responsibility. In particular, customers are increasingly requiring EMS companies, including us, to assume responsibility for industry standard components while retaining liability only for components specific to their products. Our supply agreements typically also contain provisions permitting cancellation and rescheduling of orders upon notice and subject, in some cases, to cancellation and rescheduling charges. Order cancellation charges typically vary by product type and depend upon how far in advance of shipment a customer notifies us of the cancellation of an order. In some circumstances, our supply agreements with customers provide for cost reduction objectives during the term of the agreement.

We generally do not obtain firm, long-term commitments from our customers under supply agreements. As a result, customers can cancel their orders, change production quantities or delay orders. Uncertain economic conditions and our general lack of long-term purchase contracts with our customers make it difficult for us to accurately predict revenue over the long term. Even in those cases in which customers are contractually obligated to purchase products from us or repurchase unused inventory from us that we have ordered for them, we may elect not to immediately enforce our contractual rights because of the long-term nature of our customer relationships and for other business reasons, and instead may negotiate accommodations with customers regarding particular situations.

Backlog

We generally do not obtain firm, long-term commitments from our customers. Instead, our procurement of inventory and our volume manufacturing activities are based primarily on forecasts provided by our customers. This enables us to minimize the time lapse between receipt of a customer's order and delivery of product to the customer. For certain of our products, the typical cycle-time from receipt of customer order to shipment of final product is one to three days. For other products, OEM customers typically do not make firm orders for delivery of products more than thirty to ninety days in advance. Additionally, customers may cancel or postpone scheduled deliveries, generally without significant penalty. Therefore, we do not believe that the backlog of expected product sales covered by firm purchase orders is a meaningful measure of future sales.

Marketing and Sales

Our corporate marketing, sales and customer service staff consists of approximately 600 people. Our sales efforts are organized and managed on a regional basis, with regional sales managers in geographic regions in the United States and internationally.

We develop relationships with our customers and market our vertically integrated volume manufacturing services through our direct sales force and customer support specialists. Our sales resources are directed at multiple management and staff levels within target accounts. Our direct sales personnel work closely with the customers' engineering and technical personnel to better understand their requirements. Our marketing and sales staff supports our business strategy of providing end-to-end services by encouraging cross-selling of vertically integrated volume manufacturing services and component manufacturing across a broad range of major OEM products. To achieve this objective, our marketing and sales staff works closely with our various manufacturing and design and engineering groups and engages in marketing and sales activities targeted towards key customer opportunities.

Each of our key customer accounts is managed by a dedicated account team, including a global business manager directly responsible for account management. Global business managers coordinate activities across divisions to effectively satisfy customer requirements and have direct access to our senior management to quickly address customer concerns. Local customer account teams further support the global teams and are linked by a comprehensive communications and information management infrastructure.

Competition

We face competition from other major global EMS companies such as Celestica, Inc., Flextronics International Ltd., Hon Hai (FoxConn), and Jabil Circuit, Inc. as well as other EMS companies that often have a regional or product, service or industry specific focus. In addition, our potential customers may also compare the benefits of outsourcing their manufacturing to us with the merits of manufacturing products themselves.

We compete with different companies depending on the type of service or geographic area. We believe that the primary basis of competition in our target markets is manufacturing technology, quality, delivery, responsiveness, provision of value-added services and price. To remain competitive, we must continue to provide technologically advanced manufacturing services, maintain quality levels, offer flexible delivery schedules, deliver finished products on a reliable basis and compete favorably on the basis of price. We believe our primary competitive strengths include our ability to provide global end-to-end services, our product design and engineering resources, our advanced technologies, our high quality manufacturing assembly and test services, our customer focus, our expertise in serving diverse end markets and an experienced management team.

Intellectual Property

We hold various United States and foreign patents primarily related to printed circuit boards, methods of manufacturing printed circuit boards, and enterprise computing. For other proprietary processes, we rely primarily on trade secret protection. We also have registered trademarks in the United States and many other countries throughout the world.

From time to time, we receive communications from third parties that include assertions with respect to intellectual property rights. Although we do not believe that our current trademarks, manufacturing processes or patents infringe on the intellectual property rights of third parties in any material respect, we cannot assure you that third parties will not assert infringement claims against us in the future. If such an assertion were to be made, it may become necessary or useful for us to enter into licensing arrangements or to resolve such an issue through litigation. However, we cannot assure you that such license rights would be available to us on commercially acceptable terms, if at all, or that any such litigation would be resolved favorably. Additionally, such litigation could be lengthy and costly and could materially affect our financial condition regardless of the outcome of such litigation.

Environmental Controls

We are subject to a variety of local, state and federal environmental laws and regulations in the United States, as well as foreign laws and regulations, relating to the treatment, storage, use, discharge, emission and disposal of chemicals, solid waste and other hazardous materials used during our manufacturing processes. We are also subject to occupational safety and health laws, and product take back, product labeling and product content requirements. Proper waste disposal is a major consideration in particular for printed circuit board manufacturers because metals and chemicals are used in the manufacturing process. Water used in the printed circuit board manufacturing process must be treated to remove metal particles and other contaminants before it can be discharged into municipal sanitary sewer systems. We operate on-site wastewater treatment systems at our printed circuit board manufacturing plants in order to treat wastewater generated in the fabrication process.

In addition, although the electronics assembly process generates significantly less wastewater than printed circuit board fabrication, maintenance of environmental controls is also important in the electronics assembly process because such operations can generate lead dust. Upon vacating a facility, we are responsible for remediating the lead dust from the interior of the manufacturing facility. Although there are no applicable standards for lead dust remediation in manufacturing facilities, we endeavor to make efforts to remove the residues. To date, lead dust remediation costs have not been material to our operations. We also monitor for airborne concentrations of lead in our buildings and are not aware of any significant lead concentrations in excess of the applicable OSHA standards.

We have a range of corporate programs in place with regard to environmental compliance and reduction of the use of hazardous materials in manufacturing. In the environmental compliance area, we are developing corporate-wide standardized environmental management systems, auditing programs and policies to enable us to better manage environmental compliance activities. We are also developing programs to certify our facilities under ISO 14001, a set of standards and procedures relating to environmental compliance management. In addition, the electronics industry is subject to the European Union's Restrictions of Hazardous Substances, or RoHS, and Waste Electrical and Electronic Equipment, or WEEE, directives which took effect beginning in 2005 and 2006. Parallel initiatives are being proposed in other jurisdictions, including several states in the United States and the Peoples' Republic of China. RoHS prohibits the use of lead, mercury and certain other specified substances in electronics products and WEEE requires industry OEMs to assume responsibility for the collection, recycling and management of waste electronic products and components. We have implemented procedures to make our manufacturing process compliant with RoHS and we believe products sold by us into countries with restrictions on the concentrations of hazardous materials contained in those

products (such as RoHS in the European Union) comply with such restrictions. In the case of WEEE, the compliance responsibility rests primarily with OEMs rather than with EMS companies. However, OEMs may turn to EMS companies for assistance in meeting their WEEE obligations. We are in the process of developing programs that we can offer to our customers to assist them with WEEE compliance.

Asbestos containing materials, or ACM, are present at several of our manufacturing facilities. Although the ACM is being managed and controls have been put in place pursuant to ACM operations and maintenance plans, the presence of ACM could give rise to affirmative remediation obligations and other liabilities. No third-party claims relating to ACM have been brought at this time.

Each plant, to the extent required by law, operates under environmental permits issued by the appropriate governmental authority. These permits must be renewed periodically and are subject to revocation in the event of violations of environmental laws. Any such revocation could require us to cease or limit production at one or more of our facilities, thereby having an adverse impact on our results of operations.

Primarily as a result of certain of our acquisitions, we have incurred liabilities associated with environmental contamination at facilities we have acquired. These liabilities include ongoing investigation and remediation activities at a number of sites, including our facilities located in Irvine, California (a former facility acquired as part of our acquisition of Elexsys); Owego, New York (a current facility that we acquired with our acquisition of Hadco Corporation); Derry, New Hampshire (a non-operating facility of Hadco) and Fort Lauderdale, Florida (a former facility of Hadco). Currently, we are unable to anticipate whether any third-party claims will be brought against us for the existence of such contamination. There can be no assurance that third-party claims will not arise and will not result in material liability to us. In addition, there are some sites, including our facility in Gunzenhausen, Germany (acquired from Alcatel) that are known to have groundwater contamination caused by a third party, and that third party has provided indemnity to us for the liability. Although we cannot assure you that we will not incur liability for clean-up costs or expenses at any of these sites, we have no reason to believe that such liability will occur and that it will be material to our business.

We have also been named as a potentially responsible party at several contaminated disposal sites operated by other parties, including the Casmalia Resources site, as a result of the past disposal of hazardous waste by companies we have acquired or by our corporate predecessors. Although liabilities for such historic disposal activities have not materially affected our financial condition to date, we cannot assure you that past disposal activities will not result in liability that will materially affect us in the future.

We use an environmental consultant to assist us in evaluating the environmental liabilities of the companies that we acquire as well as those associated with our ongoing operations, site contamination issues and historical disposal activities in order to establish appropriate accruals in our financial statements. In addition to liabilities associated with site contamination and related issues, we could also incur expenses associated with inventories containing restricted substances that we do not consume by the RoHS effective dates. We also undertake a process of evaluating and updating our reserves over time. As of September 29, 2007, based on the evaluations of our consultants, we have accrued \$17.6 million for our environmental liabilities. Although we believe this amount is adequate, we cannot be certain that environmental liabilities will not exceed the accrued amount.

Employees

As of September 29, 2007, we had 52,607 employees, including 12,402 temporary employees. None of our U.S. employees are represented by a labor union. In some international locations, particularly in Western Europe, Latin America and the Middle East, our employees are represented by labor unions on either a national or plant level. Some Western European countries and Latin American countries

also have mandatory legal provisions regarding terms of employment, severance compensation and other conditions of employment that are more restrictive than U.S. laws. We believe that our relationship with our employees is good.

Available Information

Our Internet address is <http://www.sanmina-sci.com>. We make available through our website, free of charge, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission, or SEC. All reports we file with the SEC are also available free of charge via EDGAR through the SEC's website at <http://www.sec.gov>.

Item 1A. Risk Factors

Refer to the "Factors Affecting Operating Results" contained in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations"

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

Facilities. Our customers market numerous products throughout the world and therefore need to access manufacturing services on a global basis. To enhance our EMS offerings, we seek to locate our facilities either near our customers and our customers' end markets in major centers for the electronics industry or, when appropriate, in lower cost locations. Many of our plants located near customers and their end markets are focused primarily on final system assembly and test, while plants located in lower cost areas are engaged primarily in higher volume, less complex component and subsystem manufacturing and assembly.

As of September 29, 2007, we manufacture products in 63 plants, consisting of 35 electronics assembly facilities, 24 technology component facilities, and 4 personal computing assembly facilities, located both domestically and internationally. Our domestic plants are located in key electronics industry centers, including Silicon Valley—(Northern California), Southern California, New England, Texas, Northern Alabama, the Research Park Triangle area and New York, as well as in several other locations. Internationally, we have plants in Latin America (Brazil and Mexico), Canada, Western Europe (United Kingdom, Ireland, France, Germany, Sweden, and Finland), Eastern Europe (Hungary), Israel and Asia (Peoples' Republic of China, India, Indonesia, Japan, Malaysia, Singapore, and Thailand). For fiscal 2007, approximately 75.9% of our net sales were from operations outside of the United States.

We continue to evaluate our global manufacturing operations and restructure our facilities and operations to bring our manufacturing capacity in line with demand and our manufacturing strategy and to provide cost efficient services for our customers. Through this process, we have closed certain facilities not required to satisfy current demand levels, but have retained strategic manufacturing facilities in the United States and Western Europe that focus on higher value added manufacturing activities. We provide extensive operations in lower cost locations, including Latin America, Eastern Europe, China and Southeast Asia, and we plan to expand our presence in these lower cost locations, as appropriate to meet the needs of our customers.

As of September 29, 2007, the approximate square footage of our manufacturing facilities by country is as follows:

	Approximate Square Footage
Brazil	261,000
Canada	586,845
China	1,483,698
Finland	262,085
France	289,461
Germany	406,025
Hong Kong	19,000
Hungary	1,214,391
India	18,000
Indonesia	66,067
Ireland	110,000
Israel	344,919
Japan	5,990
Malaysia	356,124
Mexico	2,226,637
Singapore	691,593
Sweden	206,053
Taiwan	2,500
Thailand	138,500
United Kingdom	44,000
United States	4,197,772
TOTAL	12,930,660

In addition, we have 304,730 (not included in the above figure) square feet of non-manufacturing space that we are currently using and 66,187 square feet (not included in the above figure) of manufacturing space subleased to others. We also have manufacturing facilities (not included in the above figure) that are closed or in the process of closing as of September 29, 2007, which include facilities totaling approximately 829,976 square feet for domestic locations and approximately 1,132,127 square feet for international locations. We are currently undertaking an aggressive program to sublease or terminate leases for unused facilities and to sell owned properties that are no longer expected to serve our future needs.

As of September 29, 2007, our active manufacturing facilities consist of approximately 9.4 million square feet in facilities that we own, with the remainder in leased facilities under lease terms expiring between fiscal 2007 and fiscal 2035.

We believe our existing facilities are adequate to meet our reasonably foreseeable requirements. We regularly evaluate our expected future facilities requirements.

Certifications and Registrations. Certifications and registrations under industry standards are important to our business because many customers rely on them to confirm our adherence to manufacturing process and quality standards. Certain markets, such as telecommunications, medical, defense, aerospace and automotive, require adherence to industry-specific standards. Substantially all of our manufacturing facilities are registered under ISO 9001:2000, a standard published by the International Organization for Standardization. As part of the ISO 9001:2000 certification process, we have a highly developed quality management system and continually improve its effectiveness in accordance with its requirements. We use this registration to demonstrate our ability to consistently

provide product that meets customer and applicable regulatory requirements and enhance customer satisfaction through its effective application. ISO 9001:2000 registration is of particular importance to our customers throughout the world.

In addition to ISO 9001:2000, many of our facilities are TL 9000 registered. The TL 9000 quality system requirements and quality system metrics are designed specifically for the telecommunications industry to promote consistency and efficiency, reduce redundancy and improve customer satisfaction. Included in the TL 9000 system are performance-based metrics that quantify reliability and quality performance of the product. The majority of our facilities are also Underwriters Laboratory compliant. These standards define requirements for quality, manufacturing process control and manufacturing documentation and are required by many OEMs in the communications sector of the electronics industry.

Our medical products division has identified certain manufacturing facilities to be centers of excellence for medical products manufacturing. Currently most of those facilities are FDA and ISO 13485:2003 registered and fully compliant to the FDA's quality systems regulations.

Our defense and aerospace operations are headquartered in the Huntsville, Alabama area and are housed in a facility dedicated to meeting the specialized needs of our defense and aerospace customers. This Defense and Aerospace operation, as well as other selected operations around the world are AS9100 registered. The Defense and Aerospace operation is also certified under various U.S. military specifications as well as under ANSI and other standards appropriate for defense and aerospace suppliers.

Our automotive facilities are strategically located worldwide. Substantially all of our automotive facilities are ISO/TS 16949 registered and also certified under the Automotive Industry Standard.

Item 3. Legal Proceedings

We are a so-called "nominal defendant" party to multiple shareholder derivative lawsuits that were filed following our June 9, 2006 announcement that we had initiated an internal inquiry into our historical stock option administration practices. In particular, five separate shareholder derivative actions have been filed and consolidated into a single proceeding pending in the United States District Court for the Northern District of California, captioned *In re Sanmina-SCI Corporation Derivative Litigation*, Master File No. C-06-3783-JF. The first of these consolidated actions was filed June 15, 2006. A consolidated complaint was filed on October 30, 2006. In addition, three related shareholder derivative actions have been filed and consolidated into a single proceeding pending in Superior Court for the State of California, County of Santa Clara, captioned *In re Sanmina-SCI Corporation Derivative Action*, Master File No. 1-06-CV-071786. A consolidated complaint was filed on August 17, 2007.

In all of these actions, the derivative plaintiffs allege that they are our shareholders and purport to bring the actions on our behalf and for our benefit. This is why we are a "nominal defendant" party to each of these actions; no relief is sought against us in these lawsuits and any recovery (net of any court award of attorneys fees and costs to derivative plaintiffs' counsel) would belong to us. As previously disclosed, the list of defendants varies from action to action and includes 29 different current and former directors and officers of the Company. The derivative plaintiffs allege generally that the individual defendants manipulated the grant dates of our stock options between 1994 and 2006, allegedly in breach of duties owed to us and our shareholders, causing us to report our financial results inaccurately and resulting in harm to us. Plaintiffs seek money damages against the individual defendants, an accounting for damages allegedly caused by the individual defendants, disgorgement of profits allegedly improperly obtained by the defendants, and various other types of equitable and injunctive relief. In August 2006, our Board of Directors created a Special Litigation Committee comprised of directors Alain A. Couder and Peter J. Simone, and vested that committee with the full authority on our behalf to investigate the claims asserted by the derivative plaintiffs, and to determine

what action should be taken with respect to the shareholder derivative actions including without limitation whether we should pursue claims against the named defendants or other persons. The Special Litigation Committee's investigation is substantially concluded although it has not yet issued a formal report. The courts have scheduled status conferences in the respective cases for late November and early December. The parties are engaged in discussions regarding the possibility of reaching an appropriate resolution of the litigations in light of the Special Litigation Committee's tentative conclusions. Although the shareholder derivative lawsuits do not seek damages or other relief against us, we do owe certain indemnification obligations to our current and former directors, officers and employees involved with the stock option-related proceedings, particularly to the extent that individuals are found not to have engaged in any wrongdoing. We cannot currently predict whether the shareholder derivative lawsuits will result in any material net recovery for us.

Additionally, we are aware that the Securities and Exchange Commission and the United States Attorney for the Northern District of California are conducting investigations into our historical stock option administration practices. We have received informal requests for documents and other information from the Securities and Exchange Commission and a grand jury subpoena from the United States Attorney. The Securities and Exchange Commission has issued a formal order of investigation. We also have received several information document requests from the Internal Revenue Service in connection with certain historical stock option awards. We are cooperating fully with these investigations. In addition, we are a party to certain legal proceedings that have arisen in the ordinary course of our business. We believe that the resolution of these proceedings will not have a material adverse effect on our business, financial condition or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

None.

EXECUTIVES OF SANMINA-SCI

Pursuant to General Instruction G(3), the information regarding our executive officers required by Item 401(b) of Regulation S-K is hereby included in Part I of this report.

The following table sets forth the name of each executive officer of Sanmina-SCI, the office held by such officer and the ages as of September 29, 2007 of such officer.

Name	Age	Position
Jure Sola	56	Chairman of the Board and Chief Executive Officer
Joseph Bronson	59	President and Chief Operating Officer
Hari Pillai	47	President, Global EMS Operations
Walter Hussey	55	President, Technology Components Group
David L. White	52	Executive Vice President of Finance and Chief Financial Officer
Michael Tyler	51	Executive Vice President, General Counsel and Corporate Secretary
Dennis Young	56	Executive Vice President of Worldwide Sales and Marketing

Jure Sola has served as our chief executive officer since April 1991, as chairman of our board of directors from April 1991 to December 2001 and from December 2002 to present, and co-chairman of our board of directors from December 2001 to December 2002. In 1980, Mr. Sola co-founded Sanmina and initially held the position of vice president of sales. In October 1987, he became vice president and

general manager of Sanmina, responsible for manufacturing operations and sales and marketing and was president from October 1989 to March 1996.

Joseph Bronson joined our Company as our president and chief operating officer in August 2007 at which time he joined the Company's Board of Directors. He previously served as president and chief executive officer of FormFactor, a semiconductor wafer probe card manufacturing company, from November 2004 to January 2007 and as director since April 2002. He was also an executive vice president of Applied Materials, a semiconductor equipment company, from December 2000 to October 2004. Mr. Bronson served as chief financial officer at Applied Materials from January 1998, as senior vice president from January 1998 to December 2000, and as group vice president from April 1994 to January 1998.

Hari Pillai joined our Company in 1994 and has served in manufacturing management positions since that time. In January 2002, Mr. Pillai was appointed president and general manager of the EMS division of our company and in October 2004 was appointed president, global EMS operations.

Walter Hussey joined our Company as president of the technology components group in July 2007. Prior to joining Sanmina-SCI, he served as vice president of Global Manufacturing and Distribution for Symbol Technologies, Inc., a telecommunication company, from 2003 to 2007.

David L. White has served as our executive vice president of finance and chief financial officer since August 2004. Prior to joining us, he was senior vice president and chief financial officer of Asyst Technologies, a provider of integrated automation solutions that enhance semiconductor and flat-panel display (FPD) manufacturing productivity, from 2003 to 2004. Previously, he was president and chief executive officer of Candescant Technologies, a developer of field emission display (FED) technology for next-generation thin FPDs from 1995 to 2002.

Michael Tyler has served as our executive vice president and general counsel since April 2007. Mr. Tyler became our corporate secretary in June 2007. Prior to joining us, he was senior vice president, chief legal and administrative officer of Gateway, Inc., a major personal computer manufacturer, where he was employed from 2000-2007. Prior to that, he served as senior corporate counsel - International, at Northrop Grumman Corporation from 1995 to 2000, as an associate at the law firm Heller, Ehrman, White & McAuliffe from 1991 to 1995, and as a law clerk for the United States Court of Appeals for the Ninth Circuit from 1987 to 1988.

Dennis Young has served as executive vice president of worldwide sales and marketing since March 2003. Prior to joining our company, Mr. Young was senior vice president of sales from May 2002 to March 2003 and vice president of sales from March 1998 to May 2002 of Pioneer-Standard Electronics, a provider of industrial and consumer electronic products.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.*

Market Information

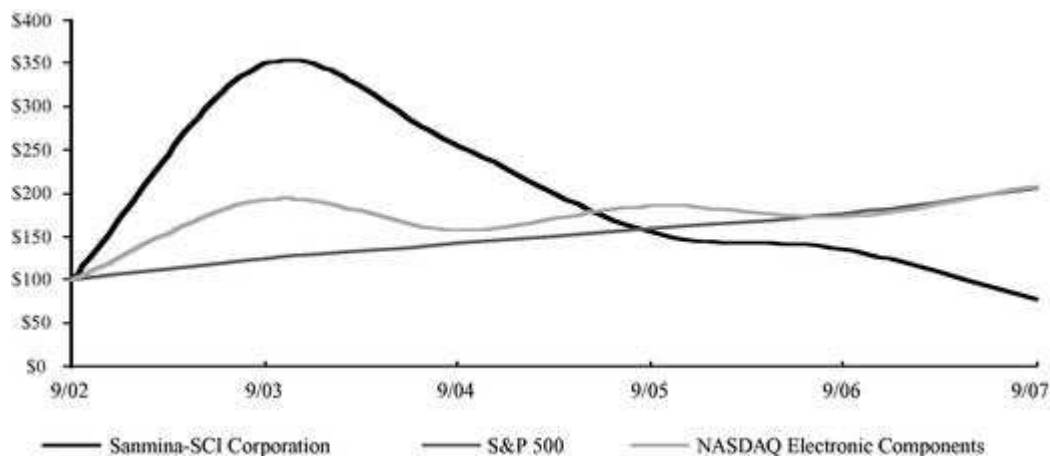
Our common stock is traded on the Nasdaq National Market under the symbol SANM. The following table lists the high and low intra-day prices for our common stock as reported on Nasdaq.

Fiscal 2007	High	Low
First quarter	\$ 4.44	\$ 3.42
Second quarter	\$ 3.94	\$ 3.24
Third quarter	\$ 3.88	\$ 3.13
Fourth quarter	\$ 3.31	\$ 1.88
Fiscal 2006	High	Low
First quarter	\$ 4.73	\$ 3.45
Second quarter	\$ 4.95	\$ 3.66
Third quarter	\$ 5.85	\$ 3.90
Fourth quarter	\$ 4.90	\$ 3.04

The graph below matches Sanmina-SCI Corporation's cumulative 5-year total shareholder return on common stock with the cumulative total returns of the S&P 500 index and the NASDAQ Electronic Components index. The graph tracks the performance of a \$100 investment in our common stock and in each of the indexes (with the reinvestment of all dividends) from 9/30/2002 to 9/30/2007.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Sanmina-SCI Corporation, The S&P 500 Index
And The NASDAQ Electronic Components Index



* \$100 invested on 9/30/02 in stock or index-including reinvestment of dividends. Fiscal year ending September 30.

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www.researchdatagroup.com/S&P.htm

	9/02	9/03	9/04	9/05	9/06	9/07
Sanmina-SCI Corporation	100.00	348.74	254.51	154.87	135.02	76.53
S&P 500	100.00	124.40	141.65	159.01	176.17	205.13
NASDAQ Electronic Components	100.00	192.60	157.24	185.10	172.56	208.68

The stock price performance included in this graph is not necessarily indicative of future stock price performance

Stockholders

As of November 14, 2007, we had approximately 2,138 common stockholders of record. On November 14, 2007, the last reported sales price of our common stock on the Nasdaq National Market was \$2.02 per share.

Dividends

We have never declared or paid cash dividends on our common stock. We currently expect to retain future earnings for use in the operation and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. The indentures governing our Senior Floating Rate Notes, 6.75% Senior Subordinated Notes and 8.125% Senior Subordinated Notes and the agreement governing our Senior Secured Credit Facility contain covenants that limit our ability to pay dividends; see also "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Item 6. Selected Financial Data

The following selected financial data should be read in conjunction with "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8—Financial Statements and Supplementary Data," included elsewhere in this Form 10-K.

FIVE YEAR SELECTED FINANCIAL HIGHLIGHTS**Consolidated Statements Of Operations Data:**

	Fiscal Year Ended				
	2007	2006	2005	2004	2003
(In thousands, except per share data)					
Net sales	\$ 10,384,254	\$ 10,955,421	\$ 11,734,674	\$ 12,204,607	\$ 10,361,434
Operating income (loss)	(1,001,937)	53,317	(489,760)	84,482	(154,914)
Loss before income taxes, extraordinary gain and cumulative effect of accounting changes	(1,120,903)	(150,153)	(639,825)	(36,800)	(275,245)
Provision for (benefit from) income taxes	13,754	(5,766)	394,121	18,412	(53,592)
Extraordinary gain, net of tax of \$0	—	—	—	3,583	—
Cumulative effect of accounting changes	—	2,830	—	—	—
Net loss	\$ (1,134,657)	\$ (141,557)	\$ (1,033,946)	\$ (51,629)	\$ (221,653)
Basic and diluted net loss per share	\$ (2.15)	\$ (0.27)	\$ (1.99)	\$ (0.10)	\$ (0.43)
Shares used in computing basic and diluted per share amount	527,117	525,967	520,574	515,803	510,102

Consolidated Balance Sheet Data:

	As of Fiscal Year Ended				
	2007	2006	2005	2004	2003
(In thousands)					
Cash and cash equivalents	\$ 933,424	\$ 491,829	\$ 1,068,053	\$ 1,069,447	\$ 889,574
Net working capital	1,618,375	1,516,754	1,672,481	1,422,972	1,921,056
Total assets	4,669,955	5,862,430	6,269,128	7,542,460	7,420,728
Long-term debt	1,588,072	1,507,112	1,666,768	1,297,337	1,925,630
Stockholders' equity	1,173,147	2,270,563	2,383,811	3,360,993	3,347,963

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements relate to our expectations for future events and time periods. All statements other than statements of historical fact are statements that could be deemed to be forward-looking statements, including any statements regarding trends in future revenues or results of operations, gross margin or operating margin, expenses, earnings or losses from operations, synergies or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning developments, performance or industry ranking; any statements regarding future economic conditions or performance; any statements regarding pending investigations, claims or disputes; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Generally, the words "anticipate," "believe," "plan," "expect," "future," "intend," "may," "will," "should," "estimate," "predict," "potential," "continue" and similar expressions identify forward-looking statements. 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. As a result of the factors described herein, and in the documents incorporated herein by reference, including, in particular, those factors described under "Factors Affecting Operating Results," we undertake no obligation to publicly disclose any revisions to these forward-looking statements to reflect events or circumstances occurring subsequent to filing this report with the Securities and Exchange Commission.

Overview

We are a leading independent global provider of customized, integrated electronics manufacturing services, or EMS. Our revenue is generated from sales of our services primarily to original equipment manufacturers, or OEMs, in the communications; personal and business computing; enterprise computing and storage; multimedia; industrial and semiconductor capital equipment; defense and aerospace; medical and automotive industries.

A relatively small number of customers have historically generated a significant portion of our net sales. Sales to our ten largest customers represented 61.5%, 60.8%, and 63.9% of our net sales for fiscal 2007, 2006, and 2005, respectively, and three customers, IBM, Lenovo and HP, represented 10% or more of our net sales for fiscal 2007 and 2006. Our largest customer, IBM, represented 10% or more of our net sales for fiscal 2005.

In recent periods, we have generated a significant portion of our net sales from international operations. During fiscal 2007, 2006, and 2005, 75.9%, 75.1%, and 76.2%, respectively, of our consolidated net sales were generated from non-U.S. operations. The concentration of international operations has resulted from overseas acquisitions and a desire on the part of many of our customers to move production to lower cost locations in regions such as Asia, Latin America and Eastern Europe. We expect this trend to continue.

Historically, we have had substantial recurring sales from existing customers. We have also expanded our customer base through acquisitions. We typically enter into supply agreements with our major OEM customers. These agreements generally have terms ranging from three to five years and cover the manufacture of a range of products. Under these agreements, a customer typically agrees to purchase its requirements for particular products in particular geographic areas from us. These agreements generally do not obligate the customer to purchase minimum quantities of products. In some circumstances, our supply agreements with customers provide for cost reduction objectives during the term of the agreement.

We have experienced fluctuations in gross margins and in our results of operations in the past and may continue to experience such fluctuations in the future. Fluctuations in our gross margins may be caused by a number of factors, including pricing, changes in product mix, competitive pressures,

transition of manufacturing to lower cost locations, level of operational efficiencies and overall business levels.

Consistent with previous announcements in the first quarter of fiscal 2007 concerning our personal and business computing business unit, we intend to separate this business unit from our core operations either by means of a sale or other disposition of the business. This business unit includes our personal computing and industry standard server businesses, our related BTO/CTO operations in Mexico and Hungary and our associated logistics activities. We expect the disposition of this business to occur within the next twelve months.

Summary Results of Operations

The following table presents our key operating results:

	Fiscal Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
	(In thousands)		
Net sales	\$ 10,384,254	\$ 10,955,421	\$ 11,734,674
Gross profit	\$ 553,213	\$ 621,736	\$ 630,182
Operating income (loss)	\$ (1,001,937)	\$ 53,317	\$ (489,760)
Net loss	\$ (1,134,657)	\$ (141,557)	\$ (1,033,946)

Key performance measures

The following tables present certain key performance measures that management utilizes to assess operating performance:

	Three Months Ended			
	September 29, 2007	June 30, 2007	March 31, 2007	December 30, 2006
Days sales outstanding(1)	44	47	49	50
Inventory turns(2)	9.0	8.4	8.1	7.9
Accounts payable days(3)	56	56	51	52
Cash cycle days(4)	29	35	43	45
	Three Months Ended			
	September 30, 2006	July 1, 2006	April 1, 2006	December 31, 2005
Days sales outstanding(1)	51	53	48	51
Inventory turns(2)	7.9	8.1	8.6	9.6
Accounts payable days(3)	53	56	51	55
Cash cycle days(4)	44	42	40	33

- (1) Days sales outstanding, or DSO, is calculated as the ratio of ending accounts receivable, net, to average daily net sales for the quarter.
- (2) Inventory turns (annualized) are calculated as the ratio of four times our cost of sales for the quarter to inventory at period end.
- (3) Accounts payable days is calculated as the ratio of 365 days divided by accounts payable turns, in which accounts payable turns is calculated as the ratio of four times our cost of sales for the quarter to accounts payable at period end.
- (4) Cash cycle days is calculated as the ratio of 365 days to inventory turns, plus days sales outstanding minus accounts payable days.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States. We review the accounting policies used in reporting our financial results on a regular basis. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, net sales and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate the process used to develop estimates for certain reserves and contingent liabilities, including those related to product returns, accounts receivable, inventories, investments, intangible assets, income taxes, warranty obligations, restructuring, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Our actual results may differ materially from these estimates.

We believe the following critical accounting policies reflect the more significant judgments and estimates used by us in preparing our consolidated financial statements:

Revenue Recognition— We derive revenue from sales of manufacturing services. We also derive revenues from sales of certain inventory, including raw materials, to customers who reschedule, amend or cancel purchase orders after we have procured inventory to fulfill their purchase orders. We recognize revenue for manufacturing services based on shipping terms. For other services, we recognize revenue when they have been performed. Specifically, we recognize revenue when a persuasive arrangement between us and the buyer exists, the price is fixed or determinable, title to the product or the inventory is transferred to the customer and collectibility is reasonably assured. Our assessment of collectibility involves the use of judgment. See "Accounts Receivable and Other Related Allowances" below for further discussion. Except in specific circumstances, there are no formal customer acceptance requirements or further Sanmina-SCI obligations related to the product or the inventory subsequent to shipment. In specific circumstances in which there are customer acceptance requirements or further Sanmina-SCI obligations, with the exception of our warranty, revenue is recognized at the point of formal acceptance or upon completion of obligations. Provisions are made for estimated sales returns and adjustments at the time revenue is recognized. Establishing these provisions requires management's judgment and the use of historical data and trends. Such provisions were not material to the Consolidated Financial Statements for any period presented herein. In specific circumstances in which we are acting as an agent on behalf of the customer on procurement and shipment of goods in accordance with Emerging Issues Task Force ("EITF") 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent", gross revenue is not recognized on the sale of the goods sold. Instead, revenue is recognized net of the costs of the goods. We present revenues net of sales taxes and value-added taxes in our Consolidated Statement of Operations in accordance with EITF 06-3, "How Taxes Collected From Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement". Amounts billed to customers related to shipping and handling are classified as revenue, and our shipping and handling costs are included in cost of sales.

Accounts Receivable and Other Related Allowances— We estimate product returns, and other adjustments related to current period net sales, to establish related allowances. In making these estimates, we analyze the creditworthiness of our customers, past experience, changes in customer demand, and the overall economic climate in industries that we serve. If actual product returns, warranty claims or other adjustments differ significantly from our estimates, the amount of revenue or operating expenses we report would be affected. One of our most significant credit risks is the ultimate realization of our accounts receivable. This risk is mitigated by (i) sales to well-established companies, (ii) ongoing credit evaluation of our customers, and (iii) frequent contact with our customers, especially our most significant customers, which enables us to monitor current changes in their business operations and to respond accordingly. To establish our allowance for doubtful accounts, we regularly estimate the credit risk associated with accounts receivable and consider concentrations of credit risks.

We evaluate credit risk related to specific customers based on the current economic environment; however, we are not able to predict the inability of our customers to meet their financial obligations to us. We believe the allowances that we have established are adequate under the circumstances; however, a change in the economic environment or a customer's financial condition could cause our estimates of allowances, and consequently the provision for doubtful accounts, to change, which could have a significant adverse impact on our financial position and/or results of operations.

Stock-Based Compensation— On October 2, 2005, we adopted Statement of Financial Accounting Standards ("SFAS") No. 123R, "Share-Based Payment", which requires the measurement and recognition of compensation expense for all stock-based awards made to employees and directors, including employee stock options, restricted stock units and purchase rights under our Employee Stock Purchase Plan ("ESPP") based on estimated fair values. Our Consolidated Statements of Operations for fiscal 2007 and 2006 reflect the provisions of SFAS No. 123R. Periods prior to 2006 are presented in accordance with accounting standards applicable for those periods.

SFAS No. 123R requires companies to estimate the fair value of stock-based awards on the date of grant using an option pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in our Consolidated Statements of Operations. Upon adoption of SFAS No. 123R, we selected the Black-Scholes option pricing model as the most appropriate method for determining the estimated fair value for stock options and purchase rights under the ESPP. The Black-Scholes model requires the use of highly subjective and complex assumptions to determine the fair value of stock-based awards, including the option's expected term and the price volatility of the underlying stock. For restricted stock awards and units, compensation expense is calculated based on the fair market value of our stock on the date of grant. For performance restricted stock units, compensation expense is recognized only when we have met the performance probability criteria.

Stock-based compensation expense recognized during a period is based on the value of the portion of stock-based awards that is ultimately expected to vest. SFAS No. 123R requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Prior to fiscal 2006, we accounted for forfeitures as they occurred. Management's estimate of forfeitures is based primarily on historical data and trends.

In conjunction with the adoption of SFAS No. 123R, we changed our method of attributing the value of stock-based compensation expense from the accelerated multiple-option method (for the purposes of pro forma information under SFAS No. 123) to the straight-line single option method. Compensation expense for all stock-based awards granted on or prior to October 1, 2005 will continue to be recognized using the accelerated multiple-option approach, and compensation expense for all stock-based awards granted subsequent to October 1, 2005, will be recognized using the straight-line single option method.

Inventories— We state inventories at the lower of cost (first-in, first-out method) or market value. Cost includes material, labor and manufacturing overhead incurred for finished goods and work-in-process. We regularly evaluate the carrying value of our inventories. When required, provisions are made to reduce excess and obsolete inventories to their estimated net realizable values. The ultimate realization of inventory carrying amounts is affected by our exposure to changes in customer demand for inventory that customers are not contractually obligated to purchase and raw materials held for specific customers who are experiencing financial difficulties. Inventory reserves are established based on forecasted demand, past experience with specific customers, the ability to redistribute inventory to other programs or back to our suppliers, and the presence of contractual language obligating the customers to pay for the related inventory. Prepayments received from customers for excess and obsolete inventories that have not been shipped to customers or otherwise disposed of are netted against inventory.

We procure inventory based on specific customer orders and forecasts. Customers have limited rights of modification with respect to these orders. Correspondingly, customer modifications to orders affecting inventory previously procured by us (for example, cancellations or rescheduling of orders, as well as inventory that is highly customized and therefore not available for use by other customers) and our purchases of inventory beyond customer needs may result in excess and obsolete inventory for the related customers. Although we may be able to use some excess components and raw materials for other products we manufacture, a portion of the cost of this excess inventory may not be returned to the vendors or recovered from customers. Write-offs or write-downs of inventory could relate to:

- declines in the market value of inventory;
- raw materials held for specific customers who are experiencing financial difficulty; and
- changes in customer demand for inventory, such as cancellation of orders and our purchases of inventory beyond customer needs that result in excess quantities on hand that we are not able to return to the vendor or charge back to the customer.

Our practice is to dispose of excess and obsolete inventory as soon as practicable after such inventory has been identified as having no value to us. Sales of such inventory have not been significant and have not had a material impact on our gross margins to date.

Restructuring Costs— We recognize restructuring charges in connection with our plans to exit certain activities resulting from the identification of excess manufacturing and administrative facilities that we choose to close or consolidate. In connection with our exit activities, we record restructuring charges for employee termination costs, long-lived asset impairments, costs related to leased facilities to be abandoned or subleased, and other exit-related costs. These charges are incurred pursuant to formal plans developed by management and accounted for in accordance with SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities, and EITF 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination." When applicable, employee termination costs are recorded pursuant to SFAS No. 112, "Employer's Accounting for Postemployment Benefits." Pursuant to SFAS No. 112, restructuring costs related to employee severance are recorded when probable and estimable in accordance with our policy. Fixed assets that are written off or impaired as a result of restructuring plans are typically held for sale or scrapped. The recognition of restructuring charges requires our management to make judgments and estimates regarding the nature, timing, and amount of costs associated with the planned exit activity, including estimating sublease income and the fair value, less selling costs, of property, plant and equipment to be disposed of. Management's estimates of future liabilities may change, requiring us to record additional restructuring charges or reduce the amount of liabilities already recorded. At the end of each reporting period, we evaluate the remaining accrued balances to ensure their adequacy, that no excess accruals are retained, and that the utilization of the provisions are for their intended purposes in accordance with developed exit plans.

Goodwill— Costs in excess of the fair value of tangible and other intangible assets acquired and liabilities assumed in a purchase business combination are recorded as goodwill. SFAS No. 142, "Goodwill and Other Intangible Assets," requires that companies not amortize goodwill, but instead test for impairment at least annually. We adopted SFAS No. 142 on September 30, 2001 and have evaluated goodwill on an annual basis and whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. Impairment of goodwill is tested at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. The fair values of the reporting units are estimated using a combination of the income, or discounted cash flows, approach and the market approach, which utilizes comparable companies' data. If the carrying amount of the reporting unit exceeds its fair value, goodwill is considered impaired and a second step is performed to measure the amount of impairment loss.

The preparation of the goodwill impairment analysis requires management to make significant estimates and assumptions with respect to the determination of fair values of reporting units and tangible and intangible assets. These estimates and assumptions may differ significantly from period to

period. Estimates and assumptions include the Company's operating forecasts, revenue growth rates, risk-commensurate discount rates, probability-weighted scenarios, customer retention rates and return on assets.

We realigned our reporting structure in the third quarter of fiscal 2007 based on organizational changes within the Company and the different types of manufacturing services offered to our customers. As a result, in accordance with SFAS No. 142, we identified three reporting units: Electronic Manufacturing Services, Personal Computing and Technology Components. Previously, Technology Components was not a reporting unit but was included as part of the Electronic Manufacturing Services reporting unit. Refer to Impairment of Goodwill, Tangible and Intangible Assets for further discussion.

Tangible and Other Intangible Assets —We review long-lived tangible and other intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable in accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets". An asset is considered impaired if its carrying amount exceeds the undiscounted future net cash flow the asset is expected to generate. If an asset or asset group is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. We estimate fair value based on projected discounted future net cash flows using a discount rate reflecting our weighted-average cost of capital, or other appropriate methods of determining fair value. Management applies significant judgment in estimating future cash flows and in determining our weighted-average cost of capital.

Income Taxes— We estimate our income tax provision or benefit in each of the jurisdictions in which we operate, including estimating exposures related to examinations by taxing authorities. We believe that our accruals for tax liabilities are adequate for all open years, based on our assessment of many factors, including past experience and interpretations of tax law applied to the facts of each matter. Although we believe our accruals for tax liabilities are reasonable, tax regulations are subject to interpretation and the tax controversy process is inherently uncertain; therefore, our assessments can involve both a series of complex judgments about future events and rely heavily on estimates and assumptions. To the extent that the probable tax outcome of these matters changes, such changes in estimates will impact the income tax provision in the period in which such determination is made.

We must also make judgments regarding the realizability of deferred tax assets. The carrying value of our net deferred tax assets is based on our belief that it is more likely than not that we will generate sufficient future taxable income in certain jurisdictions to realize these deferred tax assets. A valuation allowance has been established for deferred tax assets which we do not believe meet the "more likely than not" criteria established by SFAS No. 109, "Accounting for Income Taxes." Our judgments regarding future taxable income may change due to changes in market conditions, changes in tax laws, tax planning strategies or other factors. If our assumptions, and consequently our estimates, change in the future, the valuation allowances we have established may be increased or decreased, resulting in a respective increase or decrease in income tax expense. Our effective tax rate is highly dependent upon the geographic distribution of our worldwide earnings or losses, the tax regulations and tax holidays in each geographic region, the availability of tax credits and carryforwards, and the effectiveness of our tax planning strategies.

During fiscal 2005, we established a valuation allowance for our U.S. and certain other net deferred tax assets. This action was taken primarily due to cumulative losses from prior years and uncertainty regarding our ability to generate certain minimum levels of future taxable income. Because of continuing losses during fiscal 2007 in the U.S. and certain other countries, we continue to maintain a full valuation allowance on future tax benefits in the U.S. and certain foreign jurisdictions.

Results of Operations

Fiscal Years Ended September 29, 2007, September 30, 2006, and October 1, 2005

The following table presents certain statements of operations data expressed as a percentage of net sales.

	Fiscal Year ended		
	September 29, 2007	September 30, 2006	October 1, 2005
Net sales	100.0 %	100.0 %	100.0 %
Cost of sales	94.7	94.3	94.6
Gross margin	5.3	5.7	5.4
Operating expenses:			
Selling, general and administrative	3.6	3.4	3.1
Restructuring costs	0.4	1.2	1.0
Research and development	0.3	0.4	0.3
Impairment of goodwill, tangible and other intangible assets	10.6	0.1	5.1
Amortization of intangible assets	0.1	0.1	0.1
In-process research and development	—	—	—
Total operating expenses	15.0	5.2	9.6
Operating income (loss)	(9.7)	0.5	(4.2)
Interest income	0.3	0.2	0.2
Interest expense	(1.6)	(1.1)	(1.3)
Loss on extinguishment of debt	—	(0.8)	—
Other income (expense), net	0.2	(0.2)	(0.2)
Interest and other expense, net	(1.1)	(1.9)	(1.3)
Loss before income taxes and cumulative effect of accounting changes	(10.8)	(1.4)	(5.5)
Provision for income taxes	0.1	(0.1)	3.3
Loss before cumulative effect of accounting changes	(10.9)	(1.3)	(8.8)
Cumulative effect of accounting changes	—	—	—
Net loss	(10.9)%	(1.3)%	(8.8)%

Net Sales

Net sales in fiscal 2007 decreased 5.2% to \$10.4 billion from \$11.0 billion in fiscal 2006. Approximately \$400 million of the decrease was related to the high-end computing end market and resulted from our exit of the original design manufacturer ("ODM") business at the end of the first quarter of fiscal 2007 and a delay in demand due to a customer merger. Additionally, approximately \$400 million of the decrease is related to our communications end-market and resulted from reduced orders from three customers. These decreases were partially offset by increases of \$100 million from our medical end market, \$82 million from our defense and aerospace end-market and \$58 million from our multi-media end-market.

Net sales in fiscal 2006 decreased 6.6% to \$11.0 billion from \$11.7 billion in fiscal 2005. Approximately \$772 million of the decline in sales in fiscal 2006 was due to decreased demand from existing customers in our personal and business computing business. The remaining decreases in net sales for fiscal 2006 were primarily due to a decline in revenue of \$262 million and \$186 million from our enclosures and storage systems businesses, respectively, offset by an increase in other areas of our business.

Gross Margin

Gross margin was 5.3% in fiscal 2007, 5.7% in fiscal 2006 and 5.4% in fiscal 2005. The decrease in gross margin from fiscal 2006 to fiscal 2007 was primarily a result of weak demand in our communications and high-end computing end markets that significantly impacted sales in our printed circuit board fabrication business, enclosures business and new product introduction/gateway business. Lower demand in these higher margin businesses had a larger than proportional impact on our profitability. In addition, the decrease in gross margin was partially due to operational inefficiencies in our enclosures business. These negative impacts were offset by approximately 0.25% gross margin improvement as a result of a reduction in losses associated with our ODM business which we restructured late in fiscal 2006. The increase in gross margin from fiscal 2005 to fiscal 2006 was primarily attributable to changes in product mix as discussed above in *Net Sales* and improved cost efficiencies. We expect gross margins to continue to fluctuate based on overall production and shipment volumes as well as changes in the mix of products demanded by our major customers.

Fluctuations in our gross margins may be caused by a number of factors, including:

- Greater competition in EMS and pricing pressures from OEMs due to greater focus on cost reduction;
- Changes in the overall volume of our business;
- Changes in the mix of high and low margin products demanded by our customers;
- Changes in customer demand and sales volumes, including demand for our vertically integrated key system components and subassemblies;
- Provisions for excess and obsolete inventory that we are not able to charge back to a customer or sales of inventories previously written down;
- Operational inefficiencies;
- Pricing pressure on electronic components resulting from economic conditions in the electronics industry, with EMS companies competing more aggressively on cost to obtain new or maintain existing business; and
- Our ability to transition manufacturing and assembly operations to lower cost regions in an efficient manner.

We have experienced fluctuations in gross margin in the past and may continue to do so in the future.

Selling, General and Administrative

Selling, general and administrative expenses were \$374.2 million for fiscal 2007, \$364.9 million for fiscal 2006 and \$364.0 million for fiscal 2005. As a percentage of net sales, selling, general and administrative expenses were 3.6% for fiscal 2007, 3.4% for fiscal 2006, and 3.1% for fiscal 2005. The increase in absolute dollars from fiscal 2006 to fiscal 2007 was primarily attributable to an increase in stock based compensation expenses of \$6.5 million resulting primarily from a change in our estimated forfeiture rate, an increase in the bad debt provision of \$4.2 million (\$1.7 million expenses in fiscal 2007 versus \$2.5 million recovery in fiscal 2006), and an increase in administration fees of \$3.0 million resulting from higher sales of accounts receivable during fiscal 2007, partially offset by reductions across selling, general and administrative functions due to cost saving initiatives. The increase in selling, general and administrative expenses as a percentage of sales from fiscal 2006 to fiscal 2007 was primarily attributable to increased expenses as noted above and lower net sales for fiscal 2007.

The increase in absolute dollars from fiscal 2005 to fiscal 2006 was primarily attributable to additional expenses incurred in connection with our investigation of stock option administration policies and procedures dating back to 1997 of approximately \$10.9 million and less recovery of previously reserved accounts receivable of \$2.9 million, offset by a reduction in stock-based compensation expense (from adoption of SFAS No. 123R in fiscal 2006) of \$13.9M. The increase in selling, general and administrative expenses as a percentage of sales was primarily attributable to a decrease in net sales in fiscal 2006.

Research and Development

Research and development expenses were \$30.1 million for fiscal 2007, \$40.2 million for fiscal 2006, and \$31.0 million for fiscal 2005. As a percentage of net sales, research and development expenses were 0.3% for fiscal 2007, 0.4% for fiscal 2006 and 0.3% for fiscal 2005. The decrease in both dollars and as a percentage of net sales from fiscal 2006 to fiscal 2007 was primarily a result of our decision to realign original design manufacturing activities to focus on joint development activities. The increase in research and development expenses in both dollars and as a percentage of net sales from fiscal 2005 to fiscal 2006 was primarily attributable to increased spending on certain ODM product initiatives in fiscal 2006.

Impairment of Goodwill, Tangible and Intangible Assets

We realigned our reporting structure in the third quarter of fiscal 2007 based on organizational changes within our company and the different types of manufacturing services offered to our customers. As a result, in accordance with SFAS No. 142, we identified three reporting units: Electronic Manufacturing Services, Personal Computing and Technology Components. Previously, Technology Components was not a reporting unit but was included as part of the Electronic Manufacturing Services reporting unit. In determining the allocation of goodwill to each reporting unit, we conducted a relative fair value analysis of the Electronic Manufacturing Services and Technology Components reporting units using an income and market approach. As a result of the analysis, management concluded that \$1,303 million and \$221 million of goodwill were attributable to the Electronic Manufacturing Services and Technology Components reporting units, respectively, as of the beginning of the fourth quarter of fiscal 2007. Goodwill for the Personal Computing reporting unit remained the same at \$89.1 million as of the beginning of the fourth quarter of fiscal 2007. As required by SFAS No. 142, we must perform an impairment test of our goodwill at least annually or whenever a triggering event occurs. The annual test resulted in a goodwill impairment loss of \$1,100 million (\$821.9 million for Electronic Manufacturing Services, \$57.1 million for Personal Computing and \$220.7 million for Technology Components) for fiscal 2007. The factors that caused us to record an impairment loss in fiscal 2007 were a decline in sales, both domestically and internationally, a decrease in expected future cash flows, and a decline in the Company's stock price.

During fiscal 2006, we recorded a goodwill impairment charge of \$3.8 million and a tangible and intangible assets impairment charge of \$9.0 million due to our decision to realign our ODM business to focus on joint development manufacturing opportunities at the end of the fourth quarter of fiscal 2006. In addition, we recorded an impairment of tangible assets of \$6.1 million related to a manufacturing facility as a result of our SFAS No. 144 impairment analysis in fiscal 2006.

During fiscal 2005, we recorded a goodwill impairment loss of \$600 million for our domestic reporting unit. The factors that caused us to record a write-off of our deferred tax assets, which primarily related to U.S. operations coupled with the then-recent decline in the market price of our common stock, also led us to record this goodwill impairment loss. In particular, the shift of operations from facilities in the U.S. and other high cost locations to facilities in lower-cost locations resulted in restructuring charges and a decline in sales with respect to our U.S. operations. The fair market valuation of the reporting units was based on an income and market approach. As of the time we

performed this analysis, there was no impairment of goodwill or long-lived assets associated with our international operations.

Restructuring Costs

In recent years, we have initiated restructuring plans as a result of the slowdown in the global electronics industry and the worldwide economy. These plans were designed to reduce excess capacity and affected facilities across all services offered in our vertically integrated manufacturing organization. The majority of the restructuring charges were recorded as a result of plans related to facilities located in North America and Western Europe, and in general, manufacturing activities at these plants were transferred to other facilities.

Costs associated with restructuring activities, other than those activities related to purchase business combinations, are accounted for in accordance with SFAS No. 146 and SFAS No. 112 when applicable. Pursuant to SFAS No. 112, restructuring costs related to employee severance are recorded when probable and estimable in accordance with our policy. For all other restructuring costs, a liability is recognized in accordance with SFAS No. 146 only when incurred. Costs associated with restructuring activities related to purchase business combinations are accounted for in accordance with EITF 95-3. Accrued restructuring costs are included in accrued liabilities in the Consolidated Balance Sheets.

In November 2006, we announced three new restructuring initiatives:

- The realignment of our original design manufacturing activities to focus on joint development;
- The separation of our personal and business computing business and the evaluation of strategic alternatives to enhance its value; and
- Other consolidation and facility closure actions.

Although some actions have been implemented, we expect to record additional charges that are currently not estimable related to these anticipated actions in the near term.

Below is a summary of restructuring activities initiated in fiscal 2007 as a result of facility closure and other consolidation efforts:

	Employee Termination / Severance and Related Benefits	Leases and Facilities Shutdown and Consolidation Costs	Impairment of Fixed Assets or Redundant Fixed Assets	
	Cash	Cash	Non-Cash	Total
	(In thousands)			
Balance at September 30, 2006	\$ —	\$ —	\$ —	\$ —
Charges to operations	32,045	6,624	3,253	41,922
Charges utilized	(27,995)	(6,033)	(3,253)	(37,281)
Reversal of accrual	(129)	—	—	(129)
Balance at September 29, 2007	\$ 3,921	\$ 591	\$ —	\$ 4,512

During fiscal 2007, the Company closed or consolidated eight facilities and terminated approximately 2,400 employees. Also, during fiscal 2007 the Company recorded restructuring charges related to actions announced in prior years for employee termination benefits for approximately 5,500 employees. As of September 29, 2007, the Company's estimate of anticipated lease costs associated with facilities which were closed in connection with the Company's restructuring activities that were announced in fiscal 2007 was approximately \$0.6 million. The Company expects to pay remaining facilities related restructuring liabilities through 2010.

Below is a summary of activity related to restructuring activities announced in prior fiscal years:

	Employee Termination / Severance and Related Benefits	Leases and Facilities Shutdown and Consolidation Costs	Impairment of Fixed Assets or Redundant Fixed Assets	
	Cash	Cash	Non-Cash	Total
	(In thousands)			
Balance at October 2, 2004	\$ 18,807	\$ 18,732	\$ —	\$ 37,539
Charges to operations	86,736	22,996	11,039	120,771
Charges utilized	(68,606)	(27,262)	(11,039)	(106,907)
Reversal of accrual	(2,508)	—	—	(2,508)
Balance at October 1, 2005	34,429	14,466	—	48,895
Charges to operations	97,226	16,964	24,029	138,219
Charges utilized	(97,323)	(21,166)	(24,029)	(142,518)
Reversal of accrual	(5,528)	(460)	—	(5,988)
Balance at September 30, 2006	28,804	9,804	—	38,608
Charges (recovery) to operations	3,455	9,434	(7,263)	5,626
Charges, recovery (utilized)	(21,659)	(10,962)	7,263	(25,358)
Reversal of accrual	(2,376)	(441)	—	(2,817)
Balance at September 29, 2007	\$ 8,224	\$ 7,835	\$ —	\$ 16,059

In fiscal 2006, we initiated the closure or consolidation of three facilities and we recorded restructuring charges related to employee termination benefits for approximately 15,042 employees. During fiscal 2005, we initiated the closure or consolidation of seven facilities and we recorded restructuring charges related to employee termination benefits for approximately 11,800 employees.

As of September 29, 2007, our estimate of anticipated lease costs for facilities closed in connection with restructuring activities announced in prior fiscal years was approximately \$7.8 million. We expect to pay remaining facilities related restructuring liabilities through 2010. Total restructuring costs accrued as of September 29, 2007 were \$20.6 million, of which \$17.0 million was included in accrued liabilities and \$3.6 million was included in other long-term liabilities on the Consolidated Balance Sheet.

Reportable Segments. The following table summarizes net restructuring costs incurred with respect to our reportable segments:

	Fiscal Year Ended			
	September 29, 2007	September 30, 2006	October 1, 2005	Total
	(In thousands)			
Personal Computing	\$ 2,995	\$ 46,999	\$ 41,674	\$ 91,668
Electronic Manufacturing Services	41,607	85,231	74,571	201,409
Total	\$ 44,602	\$ 132,230	\$ 116,245	\$ 293,077
Cash	\$ 48,779	\$ 108,201	\$ 107,423	\$ 264,403
Non-cash	(4,177)	24,029	8,822	28,674
Total	\$ 44,602	\$ 132,230	\$ 116,245	\$ 293,077

Cumulative restructuring costs per segment have not been disclosed as it is impractical to do so due to the realignment of our reporting units. The recognition of restructuring charges requires our management to make judgments and estimates regarding the nature, timing, and amount of costs

associated with the planned exit activities, including estimating sublease income and the fair values, less selling costs, of property, plant and equipment to be disposed of. Management's estimates of future liabilities may change, requiring us to record additional restructuring charges or reduce the amount of liabilities already recorded.

We plan to fund cash restructuring costs with cash flows generated by operating activities.

Interest Expense

Interest expense was \$168.3 million in fiscal 2007, \$121.8 million in fiscal 2006 and \$147.3 million in fiscal 2005. The increase in interest expense from fiscal 2006 to fiscal 2007 is primarily attributable to the \$600 million unsecured term loan we entered into and simultaneously drew down on October 13, 2006, and subsequently repaid during the third quarter of fiscal 2007, interest expense from increased weighted average borrowings against our revolving credit facility during fiscal 2007, higher interest expense due to the interest rate swap on our 6.75% Notes and the two \$300 million Senior Floating Rate Notes issued during the third quarter of fiscal 2007, partially offset by a decrease in interest expense from the refinancing of the 10.375% Notes with the 8.125% Notes during the second quarter of fiscal 2006 and a full discharge of our 3% Notes during the second quarter of fiscal 2007.

The decrease in interest expense from fiscal 2005 to fiscal 2006 is primarily attributed to retirement of the high yield 10.375% Notes during the second quarter ended April 1, 2006 and a \$61 million reduction in overall debt.

Loss on Extinguishment of Debt

On June 12, 2007, we used the net proceeds from the sale of Senior Floating Rate Notes, together with cash on hand, to repay in full the principal amount and accrued interest on our existing Senior Unsecured Term Loan. We recorded a loss on extinguishment of debt of approximately \$3.2 million, representing unamortized debt issuance costs, in the second quarter of fiscal 2007. As of September 29, 2007, the Term Loan Agreement was fully paid and terminated.

On February 15, 2006, we issued \$600 million aggregate principal amount of our 8.125% Notes. In connection with the debt issuance, we also made a cash tender offer for the redemption of all of our outstanding 10.375% Senior Subordinated Notes with an aggregate principal amount of \$750 million. The 10.375% Notes, which had been previously hedged with an interest rate swap for a floating interest rate, cost us approximately \$80 million in annual interest expense. In the process of evaluating our capital structure and other alternatives, we concluded that our best economic strategy was to tender for the 10.375% Notes. The refinancing resulted in interest expense savings of approximately \$31 million per year; was cash flow positive by approximately \$21 million per year, net of forgone interest income on cash used; and was positive on a net present value basis over the long-term and extended our debt maturities, by way of issuance of the 8.125% Notes. The refinancing was also accretive to future earnings by approximately \$0.05 per share per annum.

The 10.375% Notes were redeemed in full. As a result of the redemption, we recorded a loss on extinguishment of debt of approximately \$84.6 million during the quarter ended April 1, 2006. The loss was comprised of \$70.8 million of redemption premium, \$2.2 million related to interest rate swap termination, \$13.9 million in unamortized debt issuance costs and \$0.9 million of tender offer expenses, offset by a \$3.2 million unamortized gain from previously terminated interest rate swaps. The tender offer was financed by net proceeds from the 8.125% Notes offering and approximately \$263.8 million of existing cash.

Other Income (Expense), net

Other income (expense), net was \$23.7 million in fiscal 2007, \$(16.5) million in fiscal 2006, and \$(22.2) million in fiscal 2005. The following table summarizes the major components of other income (expense), net (in millions):

	Fiscal Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
Foreign exchange gains (losses)	\$ 2.0	\$ (3.9)	\$ (6.2)
Interest rate swap losses	—	(9.0)	(17.1)
Gain (loss) from fixed asset disposals and sale of business	19.0	0.6	(0.1)
Gain (loss) from investments	2.1	(2.8)	—
Other, net	0.6	(1.4)	1.2
Total other income (expense), net	\$ 23.7	\$ (16.5)	\$ (22.2)

The increase of other income (expense), net, from \$(16.5) million in fiscal 2006 to \$23.7 million in fiscal 2007 is primarily attributable to the recognition in fiscal 2007 of \$16.5 million in gains from the sale of previously restructured manufacturing facilities and equipment and a \$2.5 million gain from the sale of one of our manufacturing operations. The aggregate sales price for the manufacturing operation sold was \$22.0 million. In the second quarter of 2006, we terminated our interest rate swap upon redemption of the 10.375% Notes, and there was no similar interest rate swap loss during fiscal 2007.

The reduction in other expense, net, from \$22.2 million in fiscal 2005 to \$16.5 million in fiscal 2006 was mainly attributable to the change in the market value and additional interest expense on the interest rate swap on the 10.375% Notes as well as increased effectiveness of hedging of our foreign currency exposures, offset by a write-off of \$2.8 million related to an other-than-temporary impairment of one of our long-term investments in fiscal 2006.

Provision for (Benefit from) Income Taxes

Our effective tax rate was 1.23% for fiscal 2007, (3.84)% for fiscal 2006 and 61.60% for fiscal 2005. The effective rate for fiscal 2007 was substantially higher than the federal statutory benefit rate of (35.00)% primarily due to the non-deductibility of our goodwill impairment and, to a lesser extent, an increase in our valuation allowance on future tax benefits in the U.S. and certain foreign jurisdictions due to continuing losses.

The effective tax rate for fiscal 2006 was substantially lower than the federal statutory rate due primarily to a favorable income tax adjustment of \$39.0 million relating to previously accrued income taxes that were reversed as a result of a settlement reached with the U.S. Internal Revenue Service and related closing of statutes of limitations. The settlement was in relation to certain U.S. tax audits. Notification of approval of the settlement by the Congressional Joint Committee on Taxation was received in the first quarter of fiscal 2006. The total adjustment to previously accrued income taxes was \$105.6 million, of which \$39.0 million was recorded as an income tax benefit to earnings during fiscal 2006. The remaining \$66.6 million was recorded as an adjustment to goodwill for tax items associated with SCI Systems, one of our subsidiaries which occurred prior to our acquisition of that entity.

The effective tax rate for fiscal 2005 was substantially higher than the federal statutory rate due primarily to the establishment of a valuation allowance for deferred tax assets of the U.S. and selected foreign jurisdictions and the impact of non-deductible goodwill impairment during fiscal 2005.

Cumulative Effect of Accounting Changes, Net of Tax

Cumulative effect of accounting changes, net of tax, was a net benefit of \$2.8 million in fiscal 2006, which resulted from our adoption of SFAS No. 123R and Financial Accounting Standards Board Interpretation ("FIN") No. 47 during fiscal 2006. During the fourth quarter of fiscal 2006, we accrued \$5.3 million of asset retirement obligations in connection with the adoption of FIN No. 47, of which \$2.9 million was recorded as a cumulative effect of accounting change, net of tax. In addition, a one-time, non-cash benefit of approximately \$5.7 million for estimated future forfeitures of restricted stock awards previously expensed was recorded as of the SFAS No. 123R implementation date and reported as a cumulative effect of accounting change, net of tax. Pursuant to APB No. 25, stock compensation expense was not reduced for estimated future forfeitures, but instead was reversed upon actual forfeiture.

Liquidity and Capital Resources

	Fiscal Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
	(In thousands)		
Net cash provided by (used in):			
Operating activities	\$ 485,934	\$ (338,161)	\$ 413,993
Investing activities	(16,864)	(82,310)	(168,049)
Financing activities	(43,772)	(144,059)	(239,247)
Effect of exchange rate changes	16,297	(11,694)	(8,091)
Increase (decrease) in cash and cash equivalents	\$ 441,595	\$ (576,224)	\$ (1,394)

Cash and cash equivalents were \$933.4 million at September 29, 2007 and \$491.8 million at September 30, 2006.

Net cash provided by (used in) operating activities was \$485.9 million for fiscal 2007, \$(338.2) million for fiscal 2006, and \$414.0 million for fiscal 2005. Cash provided by operating activities in fiscal 2007 was primarily due to improvements in days sales outstanding and inventory turns, reflecting our increased emphasis on working capital management. Cash used in operating activities of \$338.2 million for fiscal 2006 was primarily due to an increase in inventory attributable to our efforts to drive materials loading to customer request dates in order to provide better product mix and upside flexibility for some of our long-term strategic customers and a decrease in accounts payable and accrued liabilities due to payments made to vendors. Cash provided by operating activities for fiscal 2005 was primarily the result of \$223 million in proceeds from the sales of accounts receivable and cash generated from a reduction in inventory balances, partially offset by an increase in accounts receivable (excluding the impact of the sales) and a decrease in accounts payable from fiscal 2004. Working capital was \$1.6 billion and \$1.5 billion at September 29, 2007 and September 30, 2006, respectively.

Net cash used in investing activities was \$16.9 million for fiscal 2007, \$82.3 million for fiscal 2006, and \$168.1 million for fiscal 2005. Net cash used in investing activities for fiscal 2007 was primarily for the purchase of approximately \$88.4 million of property, plant and equipment, offset by approximately \$50.2 million of proceeds from sales of property, plant and equipment, and \$22.0 million from the sale of a business. Net cash used in investing activities for fiscal 2006 was primarily due to the purchase of approximately \$139.2 million of additional property, plant and equipment in lower cost regions and payments of approximately \$44.7 million for businesses acquired, offset by approximately \$80.7 million of proceeds from the sales and maturity of our short-term investments and \$42.5 million of proceeds from the sale of property, plant and equipment. Net cash used in fiscal 2005 was primarily related to our payment of \$77.0 million to acquire Pentex Schweizer Circuits Limited, or Pentex. As a result of cash provided by operating activities, we increased our holdings of short-term investments by

\$35.4 million. Our capital expenditures, net of proceeds from sale of assets, in fiscal 2005 were \$34.4 million.

Net cash used in financing activities was \$43.8 million for fiscal 2007, \$144.1 million for fiscal 2006, and \$239.2 million for fiscal 2005. Net cash used in financing activities for fiscal 2007 was primarily for the repayment of \$525 million of our 3% Notes which were due on March 15, 2007 and repayment of \$100.2 million of our revolving credit facility, offset by \$588 million in net proceeds from issuance of the two \$300 million Senior Floating Rate Notes due 2010 and 2014. Net cash used in financing activities for fiscal 2006 was primarily related to the redemption of our 10.375% Senior Secured Notes of \$851.5 million partially offset by proceeds from issuance of our 8.125% Notes due 2016 (net of issuance costs) of \$587.1 million, receipt of \$22.5 million in restricted cash associated with the termination of the interest rate swap related to the 10.375% Senior Secured Notes, proceeds of \$12.8 million from the employee stock purchase plan and exercise of common stock options by our employees and \$100.0 million of outstanding borrowings under our Senior Credit Facility as of September 30, 2006. Net cash used in financing activities for fiscal 2005 was primarily related to the repurchase of \$224.8 million of the Zero Coupon Subordinated Debentures in September 2005.

Senior Floating Rate Notes. On June 12, 2007, we issued \$300 million aggregate principal amount of Senior Floating Rate Notes due 2010 (the "2010 Notes") and \$300 million aggregate principal amount of Senior Floating Rate Notes due 2014 (the "2014 Notes"). The Notes accrue interest at a rate per annum, reset quarterly, equal to the three-month LIBOR plus 2.75%, which is payable in cash quarterly in arrears on March 15, June 15, September 15 and December 15, beginning on September 15, 2007. The 2010 Notes will mature on June 15, 2010 and the 2014 Notes will mature on June 15, 2014. We incurred debt issuance costs of \$12.0 million which are included in other non-current assets and are being amortized using the effective interest method over the life of the debt as interest expense.

The Notes are senior unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured debt. The Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by substantially all of our domestic guarantor subsidiaries. We may redeem the 2010 Notes, in whole or in part, at any time, at par plus accrued and unpaid interest up to, but excluding, the redemption date. At any time prior to June 15, 2008, we may redeem up to 35% of the 2014 Notes with the proceeds of certain equity offerings at a redemption price equal to 100% of the principal amount of the 2014 Notes, plus a premium equal to the then-current interest rate, plus accrued and unpaid interest up to, but excluding, the redemption date. We may redeem the 2014 Notes, in whole or in part, beginning on June 15, 2008, at redemption prices ranging from 100% to 102% of the principal amount of the 2014 Notes, plus accrued and unpaid interest up to, but excluding, the redemption date, with the actual redemption price to be determined based on the date of redemption. Following a change of control, as defined in the indentures, we will be required to make an offer to repurchase all or any portion of the Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest up to, but excluding, the date of repurchase.

The indentures for the Notes include certain customary covenants that limit our ability and our guarantor subsidiaries to, among other things:

- incur additional debt, make investments and other restricted payments, pay dividends on capital stock, or redeem or repurchase capital stock or subordinated obligations;
- create specified liens;
- sell assets;
- create or permit restrictions on the ability of our restricted subsidiaries to pay dividends or make other distributions to the Company;
- engage in transactions with affiliates; and
- consolidate or merge with or into other companies or sell all or substantially all of our assets.

The restrictive covenants are subject to a number of important exceptions and qualifications set forth in the indentures. The indentures provide for customary events of default, including payment defaults, breaches of covenants, certain payment defaults at final maturity or acceleration of other indebtedness, failure to pay certain judgments, certain events of bankruptcy, insolvency and reorganization involving us or certain of our subsidiaries and certain instances in which a guarantee ceases to be in full force and effect. If any event of default occurs and is continuing, subject to certain exceptions, the trustee or the Holders (as defined in the indentures) of at least 25% in aggregate principal amount of the then outstanding 2010 Notes or 2014 Notes, as applicable, may declare all the 2010 Notes or 2014 Notes, respectively, to be due and payable immediately, together with any accrued and unpaid interest, if any, to the acceleration date. In the case of an event of default resulting from certain events of bankruptcy, insolvency or reorganization involving us or certain of our subsidiaries, such amounts with respect to the 2010 Notes or 2014 Notes, as applicable, will be due and payable immediately without any declaration or other act on the part of the trustee or the holders of the 2010 Notes or 2014 Notes, respectively.

We entered into interest rate swaps to hedge our long-term interest rate exposures resulting from certain of our outstanding debt obligations. On June 12, 2007, we entered into interest rate swap transactions with independent third parties related to the 2014 Notes pursuant to which we paid the third parties a fixed rate and received a floating rate from the third parties. The interest rate swaps had a total notional amount of \$300.0 million and were designated as cash flow hedges. Under the swap agreements, we paid a fixed rate of 5.594% in exchange for a three month LIBOR rate on the swaps. These swap agreements effectively fix the interest rate on our 2014 Notes at 8.344% through 2014.

8.125% Senior Subordinated Notes. On February 15, 2006, we issued \$600 million aggregate principal amount of 8.125% Senior Subordinated Notes due 2016 (the "8.125% Notes"). Interest is payable on the 8.125% Notes on March 1 and September 1 of each year beginning on September 1, 2006. The maturity date of the 8.125% Notes is March 1, 2016. Debt issuance costs are included in other non-current assets and amortized using the effective-interest method over the life of the debt as interest expense. As of September 29, 2007, \$16.2 million of unamortized cost is included in other non-current assets. The 8.125% Notes are unsecured and subordinated in right of payment to all of our existing and future senior debt, as defined in the indenture under which the 8.125% Notes were issued.

We may redeem the 8.125% Notes, in whole or in part, at any time prior to March 1, 2011, at a redemption price that is equal to the sum of (1) the principal amount of the 8.125% Notes to be redeemed, (2) accrued and unpaid interest on those 8.125% Notes to, but excluding, the redemption date and (3) a make-whole premium calculated in the manner specified in the indenture for the 8.125% Notes. We may redeem the 8.125% Notes, in whole or in part, beginning on March 1, 2011, at declining redemption prices ranging from 104.063% to 100% of the principal amount of the 8.125% Notes, plus accrued and unpaid interest to, but excluding, the redemption date, with the actual redemption price to be determined based on the date of redemption. At any time prior to March 1, 2009, we may redeem up to 35% of the 8.125% Notes with the proceeds of certain equity offerings at a redemption price equal to 108.125% of the principal amount of the 8.125% Notes, plus accrued and unpaid interest to, but excluding, the redemption date, so long as after giving effect to any such redemption, at least 65% of the aggregate principal amount of the 8.125% Notes remains outstanding.

Following a change of control, as defined in the indenture, we will be required to make an offer to repurchase all or any portion of the 8.125% Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest to, but excluding, the date of repurchase.

The 8.125% Notes indenture includes covenants that limit our ability and the ability of our restricted subsidiaries to, among other things: incur additional debt, make investments and other restricted payments, pay dividends on capital stock, or redeem or repurchase capital stock or subordinated obligations; create specified liens; sell assets; create or permit restrictions on the ability of

our restricted subsidiaries to pay dividends or make other distributions to us; engage in transactions with affiliates; incur layered debt; and consolidate or merge with or into other companies or sell all or substantially all of our assets. The restrictive covenants are subject to a number of important exceptions and qualifications set forth in the indenture for the 8.125% Notes.

The 8.125% Notes indenture provides for customary events of default, including:

- payment defaults;
- breaches of covenants;
- certain payment defaults at final maturity or acceleration of certain other indebtedness;
- failure to pay certain judgments;
- certain events of bankruptcy, insolvency and reorganization; and
- certain instances in which a guarantee ceases to be in full force and effect.

If any event of default occurs and is continuing, subject to certain exceptions, the trustee or the holders of at least 25% in aggregate principal amount of the then outstanding 8.125% Notes may declare all the 8.125% Notes to be due and payable immediately, together with any accrued and unpaid interest, if any, to the acceleration date. In the case of an event of default resulting from certain events of bankruptcy, insolvency or reorganization, such amounts with respect to the 8.125% Notes will be due and payable immediately without any declaration or other act on the part of the trustee or the holders of the 8.125% Notes.

On January 3, 2007, we and U.S. Bank National Association, as trustee, entered into a supplemental indenture to the indenture under which our 8.125% Notes were issued. As permitted by the indenture, the supplemental indenture released each of the note's guarantors from its respective obligations under its notes guarantee and the indenture.

6.75% Senior Subordinated Notes. On February 24, 2005, we issued \$400 million aggregate principal amount of our 6.75% Senior Subordinated Notes due 2013 (the "6.75% Notes"). Interest is payable on the 6.75% Notes on March 1 and September 1 of each year, beginning on September 1, 2005. The maturity date of the 6.75% Notes is March 1, 2013. In June 2005, we completed an exchange offer pursuant to which substantially all of the 6.75% Notes were exchanged for notes registered under the Securities Act of 1933. These notes evidence the same debt as the original 6.75% Notes and are issued and entitled to the benefits of the same indenture that governs the original the 6.75% Notes except that they are not subject to transfer restrictions.

The 6.75% Notes are unsecured and subordinated in right of payment to all of our existing and future senior debt as defined in the indenture for the 6.75% Notes. We may redeem the 6.75% Notes, in whole or in part, at any time prior to March 1, 2009, at a redemption price that is equal to the sum of (1) the principal amount of the 6.75% Notes to be redeemed, (2) accrued and unpaid interest to, but excluding, the redemption date on those 6.75% Notes and (3) a make-whole premium calculated in the manner specified in the indenture for the 6.75% Notes. We may redeem the 6.75% Notes, in whole or in part, beginning on March 1, 2009, at declining redemption prices ranging from 103.375% to 100% of the principal amount, plus accrued and unpaid interest to, but excluding, the redemption date, with the actual redemption price to be determined based on the date of redemption. At any time prior to March 1, 2008, we may redeem up to 35% of the 6.75% Notes with the proceeds of certain equity offerings at a redemption price equal to 106.75% of the principal amount of the 6.75% Notes, plus accrued and unpaid interest to, but excluding, the redemption date, so long as after giving effect to any such redemption, at least 65% of the aggregate principal amount of the 6.75% Notes remains outstanding.

Following a change of control, as defined in the indenture for the 6.75% Notes, we will be required to make an offer to repurchase all or any portion of the 6.75% Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest to, but excluding, the date of repurchase.

The indenture for the 6.75% Notes includes covenants that limit our ability and the ability of our restricted subsidiaries to, among other things: incur additional debt, make investments and other restricted payments, pay dividends on capital stock, or redeem or repurchase capital stock or subordinated obligations; create specified liens; sell assets; create or permit restrictions on the ability of our restricted subsidiaries to pay dividends or make other distributions to us; engage in transactions with affiliates; incur layered debt; and consolidate or merge with or into other companies or sell all or substantially all of our assets. The restricted covenants are subject to a number of important exceptions and qualifications set forth in the indenture for the 6.75% Notes.

The indenture for the 6.75% Notes provides for customary events of default, including payment defaults, breaches of covenants, certain payment defaults at final maturity or acceleration of certain other indebtedness, failure to pay certain judgments, certain events of bankruptcy, insolvency and reorganization and certain instances in which a guarantee ceases to be in full force and effect. If any event of default occurs and is continuing, subject to certain exceptions, the trustee or the holders of at least 25% in aggregate principal amount of the then outstanding 6.75% Notes may declare all the 6.75% Notes to be due and payable immediately, together with any accrued and unpaid interest, if any, to the acceleration date. In the case of an event of default resulting from certain events of bankruptcy, insolvency or reorganization, such amounts with respect to the 6.75% Notes will be due and payable immediately without any declaration or other act on the part of the trustee or the holders of the 6.75% Notes.

On January 3, 2007, we and U.S. Bank National Association, as trustee, entered into a supplemental indenture to the indenture under which the 6.75% Notes were issued. As permitted by the indenture, the supplemental indenture released each of the note's guarantors from its respective obligations under its notes guarantee and the indenture.

3% Convertible Subordinated Notes due 2007. In March 2000, SCI issued \$575.0 million aggregate principal amount of 3% Convertible Subordinated Notes due March 15, 2007, or 3% Notes. On October 13, 2006, SCI Systems, Inc., one of our wholly-owned subsidiaries ("SCI Systems"), initiated, in accordance with the terms thereof, the satisfaction and discharge of the indenture, dated as of March 15, 2000, by and between SCI Systems and the Bank of New York Trust Company, National Association, as trustee, pursuant to which SCI Systems issued its 3% Notes due 2007. As a result, \$532.9 million in cash was deposited with the trustee which represented a portion of the proceeds obtained from the Senior Unsecured Term Loan entered into on October 13, 2006 and was equal to the principal and interest due on the 3% Notes at maturity on March 15, 2007. Restricted cash of \$532.9 million was released by the trustee to pay the bondholders upon maturity of the 3% Notes on March 15, 2007. Accordingly, as of September 29, 2007, the 3% Notes were fully satisfied and discharged.

Senior Unsecured Term Loan. On October 13, 2006, we entered into a Credit and Guaranty Agreement (the "Term Loan Agreement") providing for a \$600.0 million senior unsecured term loan which matures on January 31, 2008. We drew down the \$600.0 million term loan simultaneously with the closing of the transaction.

On June 12, 2007, we used the net proceeds of \$588 million from the sale of the Senior Floating Rate Notes in the above offering, together with cash on hand, to repay in full the principal amount and accrued interest on our existing Senior Unsecured Term Loan. We recorded a loss on extinguishment of debt of approximately \$3.2 million relating to unamortized debt issuance costs. As of September 29, 2007, no obligation remains and the Term Loan Agreement was fully paid and terminated.

Senior Credit Facility. On October 26, 2004, we entered into a Credit and Guaranty Agreement (the "Original Credit Agreement") providing for a \$500 million senior secured revolving credit facility with a \$150 million letter of credit sub-limit. The senior secured revolving credit facility provided for a maturity date of October 26, 2007. We entered into an Amended and Restated Credit and Guaranty Agreement, dated as of December 16, 2005, among us, certain of our subsidiaries, as guarantors, and the lenders that are parties thereto from time to time (the "Restated Credit Agreement"). The Restated Credit Agreement amended and restated the Original Credit Agreement among other things, to:

- extend the maturity date from October 26, 2007 to December 16, 2008;
- amend the leverage ratio;
- permit us and the guarantors to sell domestic receivables pursuant to factoring or similar arrangements if certain conditions are met; and
- revise the collateral release provisions.

All of our existing and future domestic subsidiaries guaranty the obligations under the Restated Credit Agreement, subject to some limited exceptions. Our obligations and the obligations of our subsidiaries under the credit facility are secured by: substantially all of the assets of our United States subsidiaries located in the United States; a pledge of all capital stock of substantially all of our United States subsidiaries; a pledge of 65% of the capital stock of certain of our and our United States subsidiaries' first-tier foreign subsidiaries; and mortgages on certain domestic real estate.

The Restated Credit Agreement requires us to comply with a fixed charge coverage ratio and a ratio of total debt to earnings before income tax, depreciation and amortization ("EBITDA"). Additionally, the credit facility contains numerous affirmative covenants, including covenants regarding the payment of taxes and other obligations, maintenance of insurance, reporting requirements and compliance with applicable laws and regulations. Further, the credit facility contains negative covenants limiting the ability of us and our subsidiaries, among other things, to incur debt, grant liens, make acquisitions, make certain restricted payments, sell assets and enter into sale and lease back transactions. The events of default under the credit facility include payment defaults, cross defaults with certain other indebtedness, breaches of covenants and bankruptcy events.

If at any time the aggregate face amount of receivables sold by us and the guarantors, together with any outstanding amounts, exceeds the thresholds set forth in the Restated Credit Agreement, the revolving credit commitments for purposes of making loans and issuing letters of credit will be zero.

On October 13, 2006, we and the required lenders entered into an amendment for our Restated Credit Agreement to permit us to enter into the Senior Unsecured Term Loan described above. The amendment also revised the collateral release provision under the Restated Credit Agreement such that collateral (other than stock pledges and other collateral we request not to be released) will be released at such time as specified conditions are met, including that we have repaid in full the outstanding amount under the Senior Unsecured Term Loan and our credit ratings meet specified thresholds. If following the release of any portion of the collateral pursuant to the provisions of the credit agreement described above, our credit ratings fall below specified thresholds, then we are required to take such actions as are necessary to grant and perfect a security interest in the assets and properties that would at that time comprise the collateral if the relevant collateral documents were still in effect.

On December 29, 2006, we entered into an amendment and waiver to the Restated Credit Agreement. Among other things, this amendment amended the minimum required levels for both financial covenants and certain related definitions. Fees paid in connection with the amendment and waiver were immaterial and are being amortized over the remaining term of the agreement.

On June 5, 2007, we entered into an amendment to our Amended and Restated Credit and Guaranty Agreement dated as of December 16, 2005, to permit us to incur the indebtedness resulting from the issuance of the Senior Floating Rate Notes (refer to above). In addition, the Amendment amended the required levels for the fixed charge coverage ratio and leverage ratio. Fees paid in connection with the amendment were immaterial and are being amortized over the remaining term of the agreement.

As of September 29, 2007, there was no balance outstanding under the Restated Credit Agreement. Additionally, we pay a commitment fee of 0.35% per annum on the unused portion of the credit facility.

We are in compliance with our covenants for the above debt instruments as of September 29, 2007. However, we may be required to seek waivers or amendments to certain covenants for the above debt instruments if we are unable to comply with the requirements of the covenants in the future or if we take actions such as the divestiture of strategic assets that are not permitted by the covenants.

Sales of Accounts Receivable. Certain of our subsidiaries have entered into agreements that permit them to sell specified accounts receivable. The purchase price for receivables sold under these agreements ranges from 95% to 100% of face amount less a discount charge (based on LIBOR plus a percentage ranging from 0.4% to 1.5%) for the period from the date the receivable is sold to its collection date. Accounts receivable sales under these agreements were \$1.8 billion during fiscal 2007. These agreements do not violate any restrictions under our debt covenants. The sold receivables are subject to certain limited recourse provisions. In accordance with SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liability" as amended by SFAS No. 156, "Accounting for Servicing of Financial Assets an Amendment of FASB Statement No. 140" accounts receivable sold are removed from our Consolidated Balance Sheets and reflected as cash provided by operating activities in our Consolidated Statements of Cash Flows. As of September 29, 2007, \$294.7 million of sold accounts receivable remain subject to certain recourse provisions. We have not experienced any credit losses under these recourse provisions. Discount charges recorded during fiscal 2007, 2006, and 2005 were \$8.4 million, \$5.5 million and \$411,000, respectively. Discount charges are recorded in selling, general and administrative expenses on the Consolidated Statements of Operations.

As part of the sale of accounts receivable, we had a retained ownership interest (i.e. 100% of the receivable face amount less the purchase price) of \$9.6 million and \$10.4 million at September 29, 2007 and September 30, 2006, respectively. The retained interest was included in prepaid and other current assets.

Other Liquidity Matters. We intend to separate the personal and business computing business unit from our core operations either by means of a sale or other disposition of the business. This business unit includes our personal computing and industry standard server businesses which may or may not include their related build-to-order, configure-to-order operations in Mexico and Hungary and their associated logistics activities. We expect the disposition of this business to occur within the next twelve months.

Our future needs for financial resources are largely dependent on increases in working capital to support sales growth, investments in manufacturing inventory, facilities and equipment, and repayments of obligations under outstanding indebtedness. Additionally, in fiscal 2008, we anticipate incurring additional expenditures in connection with our restructuring activities. On November 16, 2007, we announced that we plan to redeem \$120.0 million in aggregate principal amount of the 2010 Notes. We may consider making additional early repayments of our long-term debt obligations in fiscal 2008.

We believe our existing cash resources and other sources of liquidity, together with cash generated from operations, will be sufficient to meet our working capital requirements through at least the next

12 months. Should demand for our products decrease over the next 12 months, the available cash provided by operations could be negatively impacted. Other sources of liquidity include cash, our \$500 million available line of credit and sales of accounts receivable. We are also considering the sale and lease back of certain facilities and the sale of assets held for sale as additional sources of liquidity. Our senior secured credit facility, the indentures governing our 8.125% Notes, our 6.75% Notes and our Senior Floating Rate Notes include covenants that, among other things, limit in certain respects us and our restricted subsidiaries from incurring debt, making investments and other restricted payments, paying dividends on capital stock, redeeming capital stock or subordinated obligations and creating liens. We may be required to seek waivers or amendments to certain restrictive debt covenants in the future if we are unable to comply with these covenants or if we seek to take actions that are prohibited by these covenants such as the divestiture of strategic assets. We may not be able to obtain such waivers or amendments, and these covenants may impair our ability to conduct our business or carry out our restructuring plans. Further, we may be required to refinance our outstanding debt in the future, and we cannot assure that we will be able to do so on acceptable terms or at all. In addition to existing collateral and covenant requirements, future debt financing may require us to pledge assets as collateral and comply with financial ratios and covenants. Equity financing may result in dilution to stockholders.

Contractual Obligations

The following is a summary of our long-term debt (including interest) and operating lease obligations as of September 29, 2007:

		Fiscal Year(s)					
	Total	2008	2009	2010	2011	2012	Thereafter
		Dollars in thousands					
Long-term debt(1)	\$ 2,389,393	\$ 133,800	\$ 125,111	\$ 419,028	\$ 100,780	\$ 100,780	\$ 1,509,894
Operating leases(2)	79,522	27,971	13,688	10,412	6,360	4,270	16,821
Total contractual obligations	\$ 2,468,915	\$ 161,771	\$ 138,799	\$ 429,440	\$ 107,140	\$ 105,050	\$ 1,526,715

- (1) On June 12, 2007, the Company issued \$300 million aggregate principal amount of Senior Floating Rate Notes due 2010, and \$300 million aggregate principal amount of Senior Floating Rate Notes due 2014. During fiscal 2007, the Company fully satisfied and discharged the 3% Convertible Subordinated Notes due 2007.
- (2) Future operating lease payments include obligations for closed facilities (totaling approximately \$8.2 million) which have been fully or partially accrued in restructuring costs, as well as sublease income (totaling approximately \$2.8 million).

We also have outstanding firm purchase orders with certain suppliers for the purchase of inventory. These purchase orders are generally short-term in nature. Orders for standard, or catalog, items can typically be canceled with little or no financial penalty. Our policy regarding non-standard or customized items dictates that such items are only ordered specifically for customers who have contractually assumed liability for the inventory. In addition, a substantial portion of catalog items covered by our purchase orders are procured for specific customers based on their purchase orders or a forecast under which the customer has contractually assumed liability for such material. Accordingly, the amount of liability from purchase obligations under these purchase orders is not significant or meaningful.

Certain acquisition agreements that we entered into may require us to pay additional consideration determined by the future performance of the acquired entity. The amount and likelihood of the payments are not determinable as of September 29, 2007.

We provided guarantees to various third parties in the form of letters of credit totaling \$28.7 million as of September 29, 2007. The letters of credit cover various guarantees including workers' compensation claims and customs duties.

We have defined benefit pension plans with an underfunded amount of \$33.3 million at September 29, 2007. These plans will require additional uses of cash in the future.

Our future needs for financial resources include increases in working capital to support anticipated sales growth, investments in manufacturing inventory, facilities and equipment, and repayments of outstanding indebtedness. Additionally, in fiscal 2008, we anticipate incurring additional expenditures in connection with our restructuring activities. On November 16, 2007, we announced that we plan to redeem \$120.0 million in aggregate principal amount of the 2010 Notes. We may consider making additional early repayments of our long-term debt obligations in fiscal 2008.

Quarterly Results (Unaudited)

The following tables contain selected unaudited quarterly financial data for the eight fiscal quarters in the period ended September 29, 2007 and September 30, 2006. In management's opinion, the unaudited data has been prepared on the same basis as the audited information and includes all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the data for the periods presented. Our results of operations have varied and may continue to fluctuate significantly from quarter to quarter. The results of operations in any period should not be considered indicative of the results to be expected from any future period.

Fiscal Year ended September 29, 2007				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter(1)
Net sales	\$ 2,778,790	\$ 2,611,689	\$ 2,488,359	\$ 2,505,416
Gross profit	\$ 168,678	\$ 137,720	\$ 118,775	\$ 128,040
Gross margin	6.1%	5.3%	4.8%	5.1%
Operating income (loss)	\$ 58,533	\$ 14,695	\$ 11,898	\$ (1,087,063)
Operating margin (loss)	2.1%	0.6%	0.5%	(43.4)%
Net income (loss)	\$ 28,249	\$ (26,132)	\$ (27,640)	\$ (1,109,134)
Basic net income (loss) per share	\$ 0.05	\$ (0.05)	\$ (0.05)	\$ (2.10)
Diluted net income (loss) per share	\$ 0.05	\$ (0.05)	\$ (0.05)	\$ (2.10)
Fiscal Year ended September 30, 2006				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter(2)
Net sales	\$ 2,861,797	\$ 2,668,418	\$ 2,707,900	\$ 2,717,306
Gross profit	\$ 168,487	\$ 164,559	\$ 162,138	\$ 126,552
Gross margin	5.9%	6.2%	6.0%	4.7%
Operating income (loss)	\$ 31,476	\$ 44,412	\$ (15,146)	\$ (7,425)
Operating margin (loss)	1.1%	1.7%	(0.6)%	(0.3)%
Income (loss) before cumulative effect of accounting changes	\$ 11,699	\$ (76,062)	\$ (54,802)	\$ (25,222)
Net income (loss)	\$ 17,394	\$ (76,062)	\$ (54,802)	\$ (28,087)
Basic and diluted income (loss) per share before cumulative effect of accounting changes	\$ 0.02	\$ (0.14)	\$ (0.10)	\$ (0.05)
Basic and diluted net income (loss) per share	\$ 0.03	\$ (0.14)	\$ (0.10)	\$ (0.05)

(1) Includes a goodwill impairment charge of \$1.1 billion.

(2) Includes a charge under cost of sales of approximately \$15 million associated with excess and obsolete inventories in our ODM business. The results also include a goodwill impairment charge of \$3.8 million and impairment of tangible and intangible assets of \$9.0 million as a result of our decision to realign our ODM business to focus on joint development manufacturing opportunities at the end of the fourth quarter of fiscal 2006. Additionally, it includes an impairment of tangible assets related to a manufacturing facility of \$6.1 million as a result of our SFAS No. 144 impairment analysis.

Risk Factors Affecting Operating Results

We are exposed to general market conditions in the electronics industry which could have a material adverse impact on our business, operating results and financial condition.

From time to time, our customers have experienced significant decreases in demand for their products and services. This volatility has resulted, and may result in the future, in our customers delaying purchases of the products we manufacture for them and our customers placing purchase orders for lower volumes of products than previously anticipated. We cannot accurately predict future levels of demand for our customers' electronics products. Consequently, our past operating results, earnings and cash flows may not be indicative of our future operating results, earnings and cash flows.

We generally do not obtain long-term volume purchase commitments from customers and, therefore, cancellations, reductions in production quantities and delays in production by our customers could adversely affect our operating results.

We generally do not obtain firm, long-term purchase commitments from our customers. Customers may cancel their orders, reduce production quantities or delay production for a number of reasons. In the event our customers experience significant decreases in demand for their products and services, our customers may cancel orders, delay the delivery of some of the products that we manufacture or place purchase orders for fewer products than we previously anticipated. Even when our customers are contractually obligated to purchase products from us, we may be unable or, for other business reasons, choose not to enforce our contractual rights. Cancellations, reductions or delays of orders by customers would:

- adversely affect our operating results by reducing the volumes of products that we manufacture for our customers;
- delay or eliminate recoupment of our expenditures for inventory purchased in preparation for customer orders; and
- lower our asset utilization, which would result in lower gross margins.

In addition, customers are increasingly requiring that we transfer the manufacturing of their products from one facility to another to achieve cost reductions and other objectives. These transfers have resulted in increased costs to us due to facility downtime or less than optimal utilization of our manufacturing capacity. These transfers also have required us to close or reduce operations at certain facilities, particularly those in high cost locations such as the United States and Western Europe, and as a result we have incurred increased costs for the closure of facilities, employee severance and related matters. We also have encountered occasional delays and complications related to the transition of manufacturing programs to new locations. We may be required to relocate our manufacturing operations in the future and, accordingly, we may incur additional costs that will adversely impact our operating results and financial condition.

We may sell or dispose of our PC business.

We may sell or dispose of our PC business unit that includes our personal business computers and industry standard servers which may or may not include their related build-to-order, configure-to-order and logistics operations. We anticipate that any such sale or disposition would occur in fiscal 2008. We would expect any sale or disposition of our PC business to materially reduce our net sales, our operating income and cash flows. There also may be costs and liabilities that we incur or retain in connection with a sale or disposition. Further, we may be unable to sell or dispose of our PC business on terms that are favorable to us, or we may be unable to sell or dispose of our PC business at all.

Further, one of the three major customers of our PC business has indicated to us that it intends eventually to manufacture its products internally, thereby terminating its manufacturing relationship with our PC business. We are not able to inform you if or when this transition will occur. Whether or not we complete a transaction involving our PC business or even if this customer's business were not included in any such transaction, we would expect a material reduction in our net sales, operating income and cash flows if this customer terminated its manufacturing relationship with us. Our PC segment as a whole, which does not include its associated logistics activities and which may or may not reflect the business operations ultimately included in any divestiture, had net sales of approximately \$3.2 billion during both fiscal 2006 and 2007. For certain historical financial information regarding our PC segment as a whole, see note 19 to our audited financial statements included in this Annual Report on Form 10-K.

In addition to the foregoing, we also intend to sell certain other non-strategic assets.

We are subject to intense competition in the EMS industry, and our business may be adversely affected by these competitive pressures.

The EMS industry is highly competitive and the industry has been experiencing an increase in excess manufacturing capacity. We compete on a worldwide basis to provide electronics manufacturing services to OEMs in the communications, personal and business computing, enterprise computing and storage, multimedia, industrial and semiconductor capital equipment, defense and aerospace, medical and automotive industries. Our competitors include major global EMS providers such as Celestica, Inc., Flextronics International Ltd., Hon Hai (FoxConn), and Jabil Circuit, Inc., as well as other EMS companies that have a regional, product, service or industry specific focus. Some of these companies have greater manufacturing and financial resources than we do. We also face competition from current and potential OEM customers who may elect to manufacture their own products internally rather than outsourcing to EMS providers.

We may not be able to offer prices as low as some of our competitors because those competitors may have lower operating costs as a result of their geographic location or the services they provide or because these competitors are willing to provide EMS services at prices that result in lower gross margins in order to utilize more of their excess capacity. If we are unable to offer prices that are competitive with other EMS companies, our net sales would decline. We also expect our competitors to continue to improve the performance of their current products or services, to reduce their current products or service sales prices and to introduce new products or services that may offer greater value-added performance and improved pricing. Any of these could cause a decline in sales, loss of market acceptance of our products or services and a corresponding loss of market share or a decrease in profit margin. We have experienced instances in which customers have transferred all or certain portions of their business to competitors in response to more attractive pricing quotations than we have been willing to offer to retain such customers, and there can be no assurance that we will not lose business in the future in response to such competitive pricing or other inducements which may be offered by our competitors.

If demand for our higher-end, higher margin manufacturing services does not improve, our future gross margins and operating results may be lower than expected.

We typically earn lower gross margins when we provide less complex EMS services. Historically, sales of our services to OEMs in the communications sector accounted for a substantially greater portion of our net sales and earnings than in recent periods. As a result of reduced sales to OEMs in the communications sector, our gross margins have declined because the services that we provided to these OEMs often were more complex, thereby generating higher margins, than those that we provided to OEMs in other sectors of the electronics industry. In addition, we experience continued pressure from OEMs to reduce prices, and competition for this business remains intense. Pricing pressure is

typically more intense for less complex, lower margin EMS services. This price competition has affected, and could continue to adversely affect, our gross margins. If demand for our higher-end, higher margin manufacturing services does not improve in the future, our gross margins and operating results in future periods may be adversely affected.

Our operating results are subject to significant uncertainties.

Our operating results are subject to significant uncertainties, including the following:

- economic conditions in the electronics industry;
- the timing of orders from major customers and the accuracy of their forecasts;
- the timing of expenditures in anticipation of increased sales, customer product delivery requirements and shortages of components or labor;
- the mix of products ordered by and shipped to major customers, as high volume and low complexity manufacturing services typically have lower gross margins than more complex and lower volume services;
- the degree to which we are able to utilize our available manufacturing capacity;
- our ability to effectively plan production and manage our inventory and fixed assets;
- customer insolvencies resulting in bad debt exposures that are in excess of our accounts receivable reserves;
- our ability to efficiently move manufacturing activities to lower cost regions without adversely affecting customer relationships and while controlling costs related to the closure of facilities and employee severance;
- pricing and other competitive pressures;
- seasonality in customers' product requirements;
- fluctuations in component prices;
- political and economic developments in countries in which we have operations;
- component shortages, which could cause us to be unable to meet customer delivery schedules;
- new product development by our customers; and
- levels of demand in the end markets served by our customers.

A portion of our operating expenses is relatively fixed in nature, and planned expenditures are based in part on anticipated orders, which are difficult to estimate. If we do not receive anticipated orders as expected, our operating results will be adversely impacted. Moreover, our ability to reduce our costs as a result of current or future restructuring efforts may be limited because consolidation of operations can be a costly and lengthy process to complete.

We rely on a small number of customers for a substantial portion of our sales, and declines in sales to these customers could adversely affect our operating results.

Most of our sales come from a small number of customers. Sales to our ten largest customers accounted for 61.5% of our net sales during fiscal 2007, and sales to three customers each accounted for more than 10% of our net sales for that period. We depend on the continued growth, viability and financial stability of our customers, substantially all of which operate in an environment characterized by rapid technological change, short product life cycles, consolidation and pricing and margin pressures. We expect to continue to depend upon a relatively small number of customers for a significant

percentage of our revenue. Consolidation among our customers may further concentrate our business in a limited number of customers and expose us to increased risks related to dependence on a small number of customers. In addition, a significant reduction in sales to any of our large customers or significant pricing and margin pressures exerted by a key customer would adversely affect our operating results. In the past, some of our large customers have significantly reduced or delayed the volume of manufacturing services ordered from us as a result of changes in their business, consolidations or divestitures or for other reasons. In particular, certain of our customers have from time to time entered into manufacturing divestiture transactions with other EMS companies, and such transactions could adversely affect our revenues with these customers. We cannot assure you that present or future large customers will not terminate their manufacturing arrangements with us or significantly change, reduce or delay the amount of manufacturing services ordered from us, any of which would adversely affect our operating results.

Consolidation in the electronics industry may adversely affect our business.

Consolidation in the electronics industry among our customers, our potential customers and/or our competitors may increase as companies combine to achieve further economies of scale and other synergies. Consolidation in the electronics industry could result in an increasing number of very large electronics companies offering products in multiple sectors of the electronics industry. The significant purchasing and market power of these large companies could increase competitive pressures for us. In addition, if one of our customers is acquired by another company that does not rely on us to provide EMS services and has its own production facilities or relies on another provider of similar services, we may lose that customer's business. Consolidation in the electronics industry may also result in excess manufacturing capacity among EMS companies if consolidated electronics companies seek to reduce excess manufacturing capacity by divesting manufacturing operations to third party EMS companies.

Restructuring of our operations may adversely affect our financial condition and operating results.

We have incurred expenses related to restructuring of our operations in the past, and we anticipate incurring additional restructuring expenses in fiscal 2008. For example, since November 2006, we have begun to focus on joint development manufacturing rather than original design manufacturing to better assist our OEM customers in developing and introducing new products to the market that are more closely aligned to the needs of their customers. In addition, we have moved, and we intend to continue moving, our operations from higher-cost to lower-cost locations to increase profitability. We have incurred unanticipated costs related to the transfer of operations to lower-cost locations, including costs related to integrating new facilities, managing operations in dispersed locations and realigning our business processes. We also have incurred costs related to workforce reductions, work stoppages and labor unrest resulting from the closure of our facilities in higher cost locations, and we may incur similar costs in the future. We expect to record additional charges related to these actions during fiscal 2008 and beyond, but we cannot be certain as to the actual amount of the charges or the timing of their recognition for financial reporting purposes. We may need to take additional restructuring charges in the future if our business declines or improves at a slower pace than we anticipate or if the expected benefits of recently completed and currently planned restructuring activities do not materialize.

Adverse changes in the key end markets we target could harm our business.

We provide EMS services for companies that sell products in the communications, computing and storage, multimedia, industrial and semiconductor systems, defense and aerospace, medical and automotive sectors of the electronics industry. Adverse changes in these markets can reduce demand for our customers' products and make these customers more sensitive to the cost of our EMS services, either of which could adversely affect our business and results of operations. Factors affecting any of

our customers' industries in general, or our customers in particular, could seriously harm our business. These factors include:

- short product life cycles due to rapid changes in technology or evolving industry standards and requirements for continuous improvement in products and services;
- seasonal demand for our customers' products;
- the failure of our customers' products to gain widespread commercial acceptance;
- dramatic shifts in demand for our customers' products may cause our customers to exit certain lines of business; and
- recessionary periods in our customers' markets.

Future developments in end markets we serve, particularly in those markets which account for more significant portions of our revenues, could harm our business and our results of operations.

An adverse change in the interest rates for our borrowings could adversely affect our financial condition.

Interest to be paid by us under the notes or on any borrowings under any of our credit facilities and other long-term debt obligations will or may be at interest rates that fluctuate based upon changes in various base interest rates. Recently, interest rates have trended upwards in major global financial markets. These interest rate trends have resulted in increases in the base rates upon which our interest rates are determined. Continued increases in interest rates could have a material adverse effect on our financial position, results of operations and cash flows, particularly if such increases are substantial. In addition, interest rate trends could affect global economic conditions.

Our failure to comply with applicable environmental laws could adversely affect our business.

We are subject to various federal, state, local and foreign environmental laws and regulations, including those governing the use, storage, discharge and disposal of hazardous substances and wastes in the ordinary course of our manufacturing operations. We also are subject to laws and regulations governing the recyclability of products, the materials that may be included in products, and the obligations of a manufacturer to dispose of these products after end users have finished using them. If we violate environmental laws, we may be held liable for damages and the costs of remedial actions and we may be subject to revocation of permits necessary to conduct our businesses. We cannot assure you that we will not violate environmental laws and regulations in the future as a result of human error, equipment failure, our inability to obtain permits or other causes. Any permit revocations could require us to cease or limit production at one or more of our facilities, which could adversely affect our business, financial condition and operating results. Although we estimate our potential liability with respect to violations or alleged violations and reserve for such liability, we cannot assure you that any accruals will be sufficient to cover the actual costs that we incur as a result of these violations or alleged violations. Our failure to comply with applicable environmental laws and regulations could limit our ability to expand facilities or could require us to acquire costly equipment or to incur other significant expenses to comply with these laws and regulations.

Over the years, environmental laws have become, and in the future may continue to become, more stringent, imposing greater compliance costs and increasing risks and penalties associated with violations. We operate in several environmentally sensitive locations and are subject to potentially conflicting and changing regulatory agendas of political, business and environmental groups. Changes in or restrictions on discharge limits, emissions levels, permitting requirements and material storage or handling could require a higher than anticipated level of operating expenses and capital investment or, depending on the severity of the impact of the foregoing factors, costly plant relocation.

In addition, the electronics industry became subject to the European Union's Restrictions of Hazardous Substances, or RoHS, and Waste Electrical and Electronic Equipment, or WEEE, directives which took effect beginning in 2005. Parallel initiatives are being proposed in other jurisdictions, including several states in the United States and the People's Republic of China. RoHS prohibits the use of lead, mercury and certain other specified substances in electronics products and WEEE requires industry OEMs to assume responsibility for the collection, recycling and management of waste electronic products and components. While we believe we have implemented procedures to make our manufacturing process RoHS compliant, non-compliance could result in significant costs and/or penalties. In the case of WEEE, the compliance responsibility rests primarily with OEMs rather than with EMS companies. However, OEMs may turn to EMS companies for assistance in meeting their WEEE obligations.

We are potentially liable for contamination of our current and former facilities, including those of the companies we have acquired, which could adversely affect our business and operating results in the future.

We are potentially liable for contamination at our current and former facilities, including those of the companies we have acquired. These liabilities include ongoing investigation and remediation activities at a number of sites. Currently, we are unable to anticipate whether any third-party claims will be brought against us for this contamination. We cannot assure you that third-party claims will not arise and will not result in material liability to us. In addition, there are several sites that are known to have groundwater contamination caused by a third party, and that third party has provided an indemnity to us for the liability. Although we do not currently expect to incur liability for clean-up costs or expenses at any of these sites, we cannot assure you that we will not incur such liability or that any such liability would not be material to our business and operating results in the future.

Availability of Credit Facilities, including our A/R Sales Program

As of September 29, 2007, we had approximately \$1.6 billion of debt outstanding under various credit arrangements. In addition, we have a revolving credit facility of \$500 million that we use from time-to-time to fund working capital requirements on an as-needed basis. There were no borrowings outstanding under the revolving credit facility as of September 29, 2007. We also sold approximately \$1.8 billion of accounts receivable during 2007 to help fund our working capital requirements. Our credit agreements contain financial and other covenants with which we must comply. If we are not in compliance, debt outstanding (if any) under our revolving credit facility could become immediately payable and the incurrence of additional debt would not be allowed. If we are not in compliance with our debt covenants and are unable to cure such violations or obtain waivers from our lenders, our results of operations and financial condition would be adversely affected.

Our key personnel are critical to our business, and we cannot assure you that they will remain with us.

Our success depends upon the continued service of our executive officers and other key personnel. Generally, these employees are not bound by employment or non-competition agreements. We cannot assure you that we will retain our officers and key employees, particularly our highly skilled design, process and test engineers involved in the manufacture of existing products and development of new products and processes. The competition for these employees is intense. In addition, if one or more of our executive officers or key employees were to join a competitor or otherwise compete directly or indirectly with us or otherwise be unavailable to us, our business, operating results and financial condition could be adversely affected.

Unanticipated changes in our tax rates or in our assessment of the realizability of our deferred tax assets or exposure to additional income tax liabilities could affect our operating results and financial condition.

We are subject to income taxes in both the United States and various foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes and, in the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. Our effective tax rates could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws as well as other factors. Our tax determinations are regularly subject to audit by tax authorities and developments in those audits could adversely affect our income tax provision. Although we believe that our tax estimates are reasonable, the final determination of tax audits or tax disputes may be different from what is reflected in our historical income tax provisions which could affect our operating results.

Foreign Tax Jurisdictions

Our operations in certain foreign locations receive favorable income tax treatment in the form of tax holidays or other incentives. In the event that such tax holidays or other incentives are not extended, are repealed, or we no longer qualify for such programs, our results of operations and financial condition would be adversely affected.

Additionally, certain foreign jurisdictions restrict the amount of cash that can be transferred to the United States or impose taxes and penalties on such transfers of cash. To the extent we have excess cash in foreign locations that could be used in, or is needed by, our U.S. operations, we may incur significant penalties and/or taxes to repatriate these funds.

We are subject to risks arising from our international operations.

We conduct our international operations primarily in Asia, Latin America, Canada and Europe, and we continue to consider additional opportunities to make foreign acquisitions and construct new foreign facilities. We generated 75.9% of our net sales from non-U.S. operations during fiscal 2007, and a significant portion of our manufacturing material was provided by international suppliers during this period. During fiscal 2006, we generated 75.1% of our net sales from non-U.S. operations. As a result of our international operations, we are affected by economic and political conditions in foreign countries, including:

- the imposition of government controls;
- export license requirements;
- political and economic instability, including armed conflicts;
- trade restrictions;
- changes in tariffs;
- labor unrest and difficulties in staffing;
- inflexible employee contracts in the event of business downturns;
- coordinating communications among and managing international operations;
- fluctuations in currency exchange rates;
- currency controls

- increases in duty and/or income tax rates;
- earnings repatriation restrictions;
- difficulties in obtaining export licenses;
- misappropriation of intellectual property; and
- constraints on our ability to maintain or increase prices.

To respond to competitive pressures and customer requirements, we may further expand internationally in lower cost locations, particularly in Asia, Eastern Europe and Latin America. In fiscal 2007, we announced our intention to establish a manufacturing operation in India. As we pursue continued expansion in these locations, we may incur additional capital expenditures. In addition, the cost structure in certain countries that are now viewed as low-cost may increase as economies develop or as such countries join multinational economic communities or organizations. For example, Hungary, in which we have operations, is in the process of joining the European Union, and it is possible that costs in Hungary could therefore increase. As a result, we may need to continue to seek out new locations with lower costs and the employee and infrastructure base to support electronics manufacturing. We cannot assure you that we will realize the anticipated strategic benefits of our international operations or that our international operations will contribute positively to, and not adversely affect, our business and operating results.

We are subject to risks of currency fluctuations and related hedging operations.

A portion of our business is conducted in currencies other than the U.S. dollar. Changes in exchange rates among other currencies and the U.S. dollar will affect our cost of sales, operating margins and revenues. For example, we incurred foreign exchange losses due to the decline in the value of the U.S. dollar as compared to the Euro and many other currencies during fiscal 2005, fiscal 2006 and fiscal 2007. To date, these losses have not been material to our results of operations. However, we cannot predict the impact of future exchange rate fluctuations and continued fluctuations in the value of the U.S. dollar as compared to the Euro and other currencies in which we transact business could adversely affect our operating results.

In addition, certain of our subsidiaries that have non-U.S. dollar functional currencies transact business in U.S. dollars. We use financial instruments, primarily short-term foreign currency forward contracts, to hedge U.S. dollar and other currency commitments arising from trade accounts receivable, trade accounts payable and fixed purchase obligations. If these hedging activities are not successful or we change or reduce these hedging activities in the future, we may experience significant unexpected expenses from fluctuations in exchange rates.

We may not be successful in implementing strategic transactions, including business acquisition and divestitures, and we may encounter difficulties in completing these transactions and integrating acquired businesses or in realizing anticipated benefits of strategic transactions, which could adversely affect our operating results.

We seek to undertake strategic transactions that give us the opportunity to access new customers and new end-customer markets, to obtain new manufacturing and service capabilities and technologies, to enter new geographic manufacturing locations, to lower our manufacturing costs and improve the margins on our product mix, and to further develop existing customer relationships. Strategic transactions may involve difficulties, including the following:

- integrating acquired operations and businesses;
- allocating management resources;

- scaling up production and coordinating management of operations at new sites;
- separating operations or support infrastructure for entities divested;
- managing and integrating operations in geographically dispersed locations;
- maintaining customer, supplier or other favorable business relationships of acquired operations and terminating unfavorable relationships;
- integrating the acquired company's systems into our management information systems;
- separating management information systems for entities to be divested;
- addressing unforeseen liabilities of acquired businesses;
- operating in the geographic market or industry sector of the business acquired in which we have little or no experience;
- improving and expanding our management information systems to accommodate expanded operations; and
- losing key employees of acquired operations.

Any of these factors could prevent us from realizing the anticipated benefits of a strategic transaction, and our failure to realize these benefits could adversely affect our business and operating results. We may not be successful in identifying future strategic opportunities or in consummating any strategic transactions that we pursue on favorable terms, if at all. Although our goal is to improve our business and maximize stockholder value, any transactions that we complete may impair stockholder or debtholder value or otherwise adversely affect our business and the market price of our stock. Moreover, any such transaction may require us to incur related charges, and may pose significant integration challenges and/or management and business disruptions, any of which could harm our operating results and business.

We have recorded goodwill impairment losses in the past and there can be no assurance that we will not be required to record additional goodwill impairment or long-lived asset impairment charges in the future.

During the quarters ended September 29, 2007, September 30, 2006 and April 2, 2005 we recorded goodwill impairment losses of \$1.1 billion, \$3.8 million and \$600.0 million, respectively. Declines in sales in our business along with a decrease in our expected future cash flows and a decline in the Company's stock price led us to record the \$1.1 billion goodwill impairment loss in fiscal 2007. Additionally, the factors that led us to record a write-off of our deferred tax assets, which primarily related to U.S. operations, coupled with a decline in the market price of our common stock, led us to record the \$600.0 million goodwill impairment loss in fiscal 2005. In particular, the shift of operations from U.S. facilities and other facilities in high cost locations to facilities in lower-cost locations has resulted in restructuring charges and a decline in sales with respect to our U.S. operations. In the event that the results of operations do not stabilize or improve, or the market price of our common stock declines further or does not rise, we could be required to record additional goodwill impairment or other long-lived asset impairment charges during fiscal 2008 or in future periods. Although these goodwill impairment charges are of a non-cash nature, they do adversely affect our results of operations in the periods in which such charges are recorded.

If we are unable to protect our intellectual property or infringe, or are alleged to infringe, upon intellectual property of others, our operating results may be adversely affected.

We rely on a combination of copyright, patent, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. We cannot be certain that the steps we have taken

will prevent unauthorized use of our technology. Our inability to protect our intellectual property rights could diminish or eliminate the competitive advantages that we derive from our proprietary technology.

We may become involved in litigation in the future to protect our intellectual property or because others may allege that we infringe on their intellectual property. These claims and any resulting lawsuits could subject us to significant liability for damages and invalidate our proprietary rights. In addition, these lawsuits, regardless of their merits, likely would be time consuming and expensive to resolve and would divert management's time and attention. Any potential intellectual property litigation alleging our infringement of a third-party's intellectual property also could force us or our customers to:

- stop producing products that use the challenged intellectual property;
- obtain from the owner of the infringed intellectual property a license to sell the relevant technology at an additional cost, which license may not be available on reasonable terms, or at all; and
- redesign those products or services that use the infringed technology.

Any costs we incur from having to take any of these actions could be substantial.

We and the customers we serve are vulnerable to technological changes in the electronics industry.

Our customers are primarily OEMs in the communications, high-end computing, personal computing, aerospace and defense, medical, industrial controls and multimedia sectors. These industry sectors, and the electronics industry as a whole, are subject to rapid technological change and product obsolescence. If our customers are unable to develop products that keep pace with the changing technological environment, our customers' products could become obsolete and the demand for our services could decline significantly. In addition, our customers may discontinue or modify products containing components that we manufacture or develop products requiring new manufacturing processes. If we are unable to offer technologically advanced, easily adaptable and cost effective manufacturing services in response to changing customer requirements, demand for our services will decline. If our customers terminate their purchase orders with us or do not select us to manufacture their new products, our operating results could be adversely affected.

We may experience component shortages, which could cause us to delay shipments to customers and reduce our revenue and operating results.

We are dependent on certain suppliers, including limited and sole source suppliers, to provide key components we incorporate into our products. We have experienced, and may continue to experience, delays in component deliveries, which in turn could cause delays in product shipments and require the redesign of certain products. In addition, if we are unable to procure necessary components under favorable purchase terms, including at favorable prices and with the order lead-times needed for the efficient and profitable operation of our factories, our results of operations could suffer. In the past, we have experienced shortages of application-specific integrated circuits, capacitors and connectors as well as other components. We may experience component shortages from time to time in the future. Unanticipated component shortages have prevented us from making scheduled shipments to customers in the past and may do so in the future. Our inability to make scheduled shipments could cause us to experience a shortfall in revenue, increase our costs and adversely affect our relationship with the affected customer and our reputation generally as a reliable service provider. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. In addition, we may purchase components in advance of our requirements for those components as a result of a threatened or anticipated shortage. In this event, we will incur additional inventory carrying costs, for which we may not be compensated, and have a heightened risk of exposure

to inventory obsolescence. As a result, component shortages could adversely affect our operating results for a particular period due to the resulting revenue shortfall and increased manufacturing or component costs.

If we manufacture or design defective products, or if our manufacturing processes do not comply with applicable statutory and regulatory requirements, demand for our services may decline and we may be subject to liability claims.

We manufacture products to our customers' specifications, and in some cases our manufacturing processes and facilities may need to comply with applicable statutory and regulatory requirements. For example, medical devices that we manufacture, as well as the facilities and manufacturing processes that we use to produce them, are regulated by the Food and Drug Administration. In addition, our customers' products and the manufacturing processes that we use to produce them often are highly complex. As a result, products that we manufacture or design may at times contain design or manufacturing defects, and our manufacturing processes may be subject to errors or may not be in compliance with applicable statutory and regulatory requirements. Defects in the products we manufacture or design may result in delayed shipments to customers or reduced or cancelled customer orders. If these defects or deficiencies are significant, our business reputation may also be damaged. The failure of the products that we manufacture or design or of our manufacturing processes and facilities to comply with applicable statutory and regulatory requirements may subject us to legal fines or penalties and, in some cases, require us to shut down or incur considerable expense to correct a manufacturing program or facility. In addition, these defects may result in liability claims against us. The magnitude of such claims may increase as we expand our medical, automotive, and aerospace and defense manufacturing services because defects in medical devices, automotive components and aerospace and defense systems could seriously harm users of these products. Even if our customers are responsible for the defects, they may not, or may not have the resources to assume responsibility for any costs or liabilities arising from these defects.

Although the internal investigation of our historical stock option practices is complete, the private litigation and government investigations resulting therefrom remain pending.

We completed an investigation of our accounting for stock options in October 2006. Based on the results of this investigation on January 3, 2007, we filed a comprehensive Form 10-K for fiscal 2006 which restated our consolidated financial statements for prior years. As a result of this activity, we have become subject to the following significant risks. Each of these risks could have an adverse effect on our business, financial condition and results of operations:

- we are subject to significant pending civil litigation, including derivative claims made on behalf of us, the defense of which will require us to devote significant management attention and to incur significant legal expense and which litigation, if decided against members of our management or board of directors, could require them to pay substantial judgments, settlements or other penalties or could result in a termination of their services to us; and
- we are subject to an ongoing informal investigation by the SEC and other governmental agencies which could require significant management time and attention and cause us to incur significant accounting and legal expense, the results of which could require us or members of our management or board of directors to pay substantial fines or other penalties or could result in a termination of services to us by members of our management or board of directors

If our products are subject to warranty or liability claims, we may incur significant costs.

Our customers may experience defects in our designs or deficiencies with respect to our manufacturing services. We may be exposed to warranty or manufacturers' liability claims as a result of

these defects or deficiencies, and some claims may relate to customer product recalls. We also design products on a contract basis or jointly with our customers. The design services that we provide can expose us to different or greater potential liabilities than those we face when providing our regular manufacturing services. For example, we have increased exposure to potential product liability claims resulting from injuries caused by defects in products we design, as well as potential claims that products we design infringe third-party intellectual property rights. Such claims could subject us to significant liability for damages and, regardless of their merits, could be time-consuming and expensive to resolve. We also may have greater potential exposure from warranty claims and from product recalls due to problems caused by product design. A claim for damages arising from such defects or deficiencies could have a material adverse effect on our business, results of operations and financial condition. A claim for such damages, or a product recall conducted by one of our customers, also could have an adverse effect on our business reputation.

We may not have sufficient insurance coverage for certain of the risks and liabilities we assume in connection with the products and services we provide to our customers.

We carry various forms of business and liability insurance that we believe are typical for companies in our industry. However, we may not have sufficient insurance coverage for certain risks and liabilities we assume in connection with the products and services we provide to our customers, such as potential warranty, product liability and product recall claims. Such liability claims may only be partially covered under our insurance policies. We continue to monitor the insurance marketplace to evaluate the need to obtain additional insurance coverage in the future. Costs associated with potential claims and liabilities for which we do not have sufficient insurance coverage could have a material adverse effect on our results of operations, financial condition and liquidity.

Changes in financial accounting standards or policies have affected, and in the future may affect, our reported financial condition or results of operations. Additionally, changes in securities laws and regulations have increased, and are likely to continue to increase, our operating costs.

We prepare our financial statements in conformity with accounting principles generally accepted in the United States, or U.S. GAAP. These principles are subject to interpretation by the FASB, the American Institute of Certified Public Accountants (AICPA), the SEC and various bodies formed to interpret and create appropriate accounting policies. A change in those policies can have a significant effect on our reported results and may affect our reporting of transactions which are completed before a change is announced.

Accounting policies affecting many other aspects of our business, including rules relating to revenue recognition, off-balance sheet transactions, stock-based compensation, restructurings, asset disposals and asset retirement obligations, intangible assets, derivative and other financial instruments and in-process research and development charges, have recently been revised or are under review. Changes to those rules or the questioning of how we interpret or implement those rules may have a material adverse effect on our reported financial results or on the way we conduct business. In addition, our preparation of financial statements in accordance with U.S. GAAP requires that we make estimates and assumptions that affect the recorded amounts of assets and liabilities, disclosure of those assets and liabilities at the date of the financial statements and the recorded amounts of expenses during the reporting period. A change in the facts and circumstances surrounding those estimates could result in a change to our estimates and could impact our future operating results.

The Sarbanes-Oxley Act of 2002 required changes in our corporate governance, public disclosure and compliance practices. The number of rules and regulations applicable to us has increased and will continue to increase our legal and financial compliance costs and have made some activities more difficult, such as by requiring stockholder approval of new option plans. These developments could make it more difficult for us to attract and retain qualified members of our board of directors,

particularly to serve on our audit committee, and qualified executive officers. In addition, in connection with our Section 404 certification process, we may identify from time to time deficiencies in our internal controls. Any material weakness or deficiency in our internal controls over financial reporting could materially and negatively impact our reported financial results and the market price of our stock could significantly decline. Additionally, adverse publicity related to the disclosure of a material weakness or deficiency in internal controls over financial reporting could have a negative impact on our reputation, business and stock price.

We are subject to risks associated with natural disasters and global events.

We conduct a significant portion of our activities including manufacturing, administration and data processing at facilities located in the State of California and other seismically active areas that have experienced major earthquakes in the past, as well as other natural disasters. Our insurance coverage with respect to natural disasters is limited and is subject to deductibles and coverage limits. Such coverage may not be adequate or continue to be available at commercially reasonable rates and terms. In the event of a major earthquake or other disaster affecting one or more of our facilities, it could significantly disrupt our operations, delay or prevent product manufacture and shipment for the time required to transfer production, repair, rebuild or replace the affected manufacturing facilities. This time frame could be lengthy and result in significant expenses for repair and related costs. In addition, concerns about terrorism or an outbreak of epidemic diseases could have a negative effect on travel and our business operations and result in adverse consequences on our business and results of operations.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Interest Rate Risk

Our exposures to market risk for changes in interest rates relate primarily to certain debt obligations. Currently, we do not use derivative financial instruments in our investment portfolio. We invest in high quality credit issuers and, by policy, limit the amount of principal exposure with any one issuer. As stated in our policy, we seek to ensure the safety and preservation of our invested principal funds by limiting default and market risk.

We seek to mitigate default risk by investing in high quality credit securities and by positioning our investment portfolio to respond to a significant reduction in credit rating of any investment issuer, guarantor or depository. We seek to mitigate market risk by limiting the principal and investment term of funds held with any one issuer and by investing funds in marketable securities with active secondary or resale markets. As of September 29, 2007, we had short-term investments of \$13.4 million related to assets held in the SCI deferred compensation plan.

On February 24, 2005, we issued 6.75% Notes with a principal balance of \$400 million due in 2013. We also entered into interest rate swap agreements with four independent swap counterparties to hedge our interest rate exposures related to the 6.75% Notes. The swap agreements, with an aggregate notional amount of \$400 million that expires in 2013, effectively convert the fixed interest rate obligation to a variable rate obligation and are accounted for as fair value hedges under SFAS No. 133 but are exempt from periodic assessment of hedge effectiveness under Paragraph 68 of SFAS No. 133. Under the terms of the swap agreements, we pay the independent swap counterparties an interest rate equal to the six-month LIBOR rate plus a spread ranging from 2.214% to 2.250%. In exchange, we receive a fixed rate of 6.75%. At September 29, 2007 and September 30, 2006, \$11.9 million and \$17.1 million, respectively, have been recorded in other long-term liabilities on the Consolidated Balance Sheets to record the fair value of the interest rate swap agreements. The differential paid or received on the interest rate swap is recognized in earnings as an adjustment to interest expense. Interest expense for the fiscal years ended September 29, 2007 and September 30, 2006 increased by

\$4.3 million and \$0.8 million, respectively, and interest expense for the fiscal year ended October 1, 2005 decreased by \$3.1 million as a result of the difference between the 6.75% fixed interest rate on the 6.75% Notes and the variable interest rates under the swap agreements which averaged 7.76%, 6.98% and 5.42% during the fiscal years ended September 29, 2007, September 30, 2006 and October 1, 2005, respectively.

On June 12, 2007, we issued \$300 million aggregate principal amount of Senior Floating Rate Notes due in 2010 (the "2010 Notes") and the 2014 Notes. We also entered into interest rate swap agreements with two independent swap counterparties to hedge our interest rate exposures related to our 2014 Notes. The swap agreements, with an aggregate notional amount of \$300 million that expires in 2014, effectively convert the variable interest rate obligation to a fixed rate obligation and are accounted for as cash flow hedges under SFAS No. 133, subject to periodic assessment of effectiveness. Under the terms of the swap agreements, we pay the independent swap counterparties a fixed rate of 5.594%. In exchange, we receive an interest rate equal to the three-month LIBOR. These swap agreements effectively fix the interest rate on our 2014 Notes at 8.344% through 2014. At September 29, 2007, \$11.4 million has been recorded in other long-term liabilities to record the fair value of the interest rate swap agreements, with a corresponding decrease to accumulated other comprehensive income, on the Consolidated Balance Sheets. Over the next 12 months, we expect to reclassify approximately \$1.9 million to interest expense. Amounts in accumulated other comprehensive income (loss) will be reclassified when the hedged interest expense is realized in the Consolidated Statement of Operations. The ineffective portion of the hedges was immediately recognized in other income (expense), net, on the Consolidated Statement of Operations and was not material for the fiscal year ended September 29, 2007.

Since our 6.75% Notes, 2010 Notes and revolving credit facility as of September 27, 2007 are floating rate debt instruments, an immediate 10% increase in interest rates at September 29, 2007 would result in an increase in annual gross interest expense of approximately \$6 million. Similarly, an immediate 10% reduction in interest rates would result in a reduction in annual interest expense of approximately \$6 million.

Foreign Currency Exchange Risk

We transact business in foreign countries. Our primary foreign currency cash flows are in certain Asian and European countries, Brazil, Canada, and Mexico. We enter into short-term foreign currency forward contracts to hedge currency exposures associated with certain assets and liabilities denominated in foreign currencies. These contracts typically have maturities of three months or less. Further, these contracts are not designated as part of a hedging relationship in accordance with SFAS No. 133. All outstanding foreign currency forward contracts are marked-to-market at the end of the period with unrealized gains and losses included in other income (expense), net, in the Consolidated Statements of Operations. At September 29, 2007 and September 30, 2006, we had outstanding foreign currency forward contracts to exchange various foreign currencies for U.S. dollars in the aggregate notional amount of \$279.5 million and \$403.4 million, respectively. The net impact of an immediate 10% change in exchange rates would not be material to our Consolidated Financial Statements.

We also utilize foreign currency forward and option contracts to hedge certain operational ("cash flow") exposures resulting from changes in foreign currency exchange rates. Such exposures result from portions of forecasted sales, cost of sales and expenses denominated in currencies other than the U.S. dollar. These contracts typically are less than 12 months in duration. Further, these contracts are accounted for as cash flow hedges under SFAS No. 133, subject to periodic assessment of effectiveness. At September 29, 2007 and September 30, 2006, we had forward and option contracts related to cash flow hedges in various foreign currencies in the aggregate notional amount of \$30.0 million and \$10.1 million, respectively.

Item 8. Financial Statements and Supplementary Data

The information required by this item is incorporated by reference to the financial statements included in "Part IV—Item 15(a)(1)," the financial statement schedule included in "Part IV—Item 15(a)(2)" and the selected quarterly financial data included in "Part II—Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Quarterly Results (Unaudited)."

Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures**(a) Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended, or the Exchange Act). Our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of September 29, 2007. In making this assessment, our management used the criteria established in *Internal Control—Integrated Framework*, issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(b) Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended September 29, 2007 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(c) Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of our management, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as defined in rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act) were effective as of September 29, 2007 to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding timely disclosure.

(d) Inherent Limitations of Disclosure Controls and Internal Control Over Financial Reporting

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Item 9B. Other Information

Refer to "Subsequent Event", Note 22 of the Notes to Consolidated Financial Statements.

PART III

Information called for by Items 10, 11, 12, 13 and 14 of Part III are incorporated by reference from the Company's definitive Proxy Statement to be filed in connection with its 2007 Annual Meeting of Stockholders pursuant to Regulation 14A, except that the information regarding the Company's executive officers called for by Item 401(b) of Regulation S-K has been included in Part I of this report.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Financial Statements

The following financial statements are filed as part of this report:

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Reports of Independent Registered Public Accounting Firm	73-74
Financial Statements:	
Consolidated Balance Sheets, As of September 29, 2007 and September 30, 2006	75
Consolidated Statements of Operations, Years Ended September 29, 2007, September 30, 2006 and October 1, 2005	76
Consolidated Statements of Comprehensive Loss, Years Ended September 29, 2007, September 30, 2006 and October 1, 2005	77
Consolidated Statements of Stockholders' Equity, Years Ended September 29, 2007, September 30, 2006 and October 1, 2005	78-79
Consolidated Statements of Cash Flows, Years Ended September 29, 2007, September 30, 2006 and October 1, 2005	80
Notes to Consolidated Financial Statements	81

2. Financial Statement Schedule

The following financial statement schedule of Sanmina-SCI Corporation is filed as part of this report on Form 10-K and should be read in conjunction with our Financial Statements included in this Item 15:

Schedule II—Valuation and Qualifying Accounts

All other schedules are omitted because they are not applicable or the required information is shown in the Financial Statements or the notes thereto.

3. Exhibits

Refer to (b) below.

Exhibit Number	Description
3.1(1)	Restated Certificate of Incorporation of the Registrant, dated January 31, 1996.
3.1.1(2)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, dated March 9, 2001.
3.1.2(3)	Certificate of Designation of Rights, Preferences and Privileges of Series A Participating Preferred Stock of the Registrant, dated May 31, 2001.
3.1.3(4)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, dated December 7, 2001.
3.2(33)	Amended and Restated Bylaws of the Registrant, dated June 4, 2007.
4.2(6)	Preferred Stock Rights Agreement, dated as of May 17, 2001 between the Registrant and Wells Fargo National Bank, Minnesota, N.A., including the form of Certificate of Determination, the form of Rights Certificate and the Summary of Rights attached thereto as Exhibits A, B, and C.
4.2.3(51)	Supplemental Indenture No. 3, dated as of October 7, 2005, to the Subordinated Indenture, by and among SCI Systems, Inc., Sanmina-SCI USA, Inc. and J.P. Morgan Trust Company, National Association, as trustee.
4.5(8)	Subordinated Indenture dated March 15, 2000, between SCI Systems, Inc. and Bank One Trust Company, National

Association, as Trustee ("Subordinated Indenture").

- 4.5.1(9) Supplemental Indenture No. 1, dated as of March 15, 2000, to the Subordinated Indenture, between SCI Systems, Inc. and Bank One Trust Company, National Association, as Trustee.
- 4.5.2(5) Supplemental Indenture No. 2, dated as of December 7, 2001, to the Subordinated Indenture, by and among SCI Systems, Inc., Sanmina Corporation, as Guarantor, and Bank One Trust Company, National Association, as Trustee.
- 4.7(25) Indenture, dated as of December 23, 2002, among the Registrant, the Guarantors Party thereto and State Street Bank and Trust Company California, N.A., as trustee.
- 4.7.1(45) First Supplemental Indenture, dated as of July 21, 2003, among Newisys, Inc., the Registrant and U.S. Bank National Association, as trustee.
- 4.7.2(52) Second Supplemental Indenture, dated as of September 30, 2005, among Sanmina-SCI USA, Inc., the Registrant and U.S. Bank National Association, as trustee.
- 4.9(27) Intercreditor Agreement, dated as of December 23, 2002, by and among, as second lien collateral trustees, LaSalle Business Credit, Inc., as collateral agent, State Street Bank and Trust Company of California, N.A. and each New First Lien Claimholder Representative which May become a party from time to time, and the Registrant.
- 4.10(28) Sanmina-SCI Corporation Second Lien Collateral Trust Agreement, dated as of December 23, 2002, by and among the Registrant, the subsidiaries of the Registrant party thereto and State Street Bank and Trust Company of California, N.A., as second lien collateral trustee.
- 4.12(36) Credit and Guaranty Agreement, dated as of October 26, 2004, among the Registrant, certain Subsidiaries of the Registrant from time to time party thereto, various Lenders party thereto, Banc of America Securities LLC, as Syndication Agent, Citibank, N.A., as Collateral Agent, and Citicorp USA, Inc., as Administrative Agent.
- 4.12.1(46) Amendment No. 1 to Credit and Guaranty Agreement, dated as of February 15, 2005, made by the Registrant, certain Subsidiaries of the Registrant, the lenders party thereto, Citibank, N.A., as Collateral Agent, and Citicorp USA, Inc., as Administrative Agent.
- 4.12.2(38) Amendment No. 2 to Credit and Guaranty Agreement, dated as of June 6, 2005, made by the Registrant, certain Subsidiaries of the Registrant, the lenders party thereto, Citibank, N.A., as Collateral Agent, and Citicorp USA, Inc., as Administrative Agent.
- 4.13(37) Indenture, dated as of February 24, 2005, among the Registrant, the guarantors party thereto and U.S. Bank National Association, as trustee.
- 4.13.1(53) First Supplemental Indenture, dated as of September 30, 2005, among Sanmina-SCI USA, Inc., the Registrant and U.S. Bank National Association, as trustee.
- 4.13.2(54) Second Supplemental Indenture, dated as of January 3, 2007, among the Registrant and U.S. Bank National Association, as trustee.

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- 4.14(47) Indenture, dated as of February 15, 2006, among the Registrant, certain subsidiaries of the Registrant as guarantors there under and U.S. Bank National Association, as trustee.
 - 4.14.1(55) First Supplemental Indenture, dated as of January 3, 2007, among the Registrant and U.S. Bank National Association, as trustee.
 - 4.15(50) Amended and Restated Credit and Guaranty Agreement, dated as of December 16, 2005, among the Registrant, the guarantors party thereto, the lenders party thereto, Citibank, N.A., as Collateral Agent, and Bank of America, N.A., as Administrative Agent.
 - 4.15.1(56) Amendment No.3 and Waiver to Amended and Restated Credit and Guaranty Agreement, dated as of December 29, 2006, among the Registrant, the guarantors party thereto, the lenders party thereto, Citibank, N.A., as Collateral Agent, and Bank of America, N.A., as Administrative Agent.
 - 4.15.2(57) Amendment No. 4 to Amended and Restated Credit and Guaranty Agreement, dated as of June 5, 2007, by and among

Registrant, each of the subsidiaries of Registrant party thereto, the lenders party thereto, Citibank, N.A., as collateral agent, and Bank of America, N.A., as Administrative Agent.

- 4.16(58) Indenture, dated as of June 12, 2007, among Registrant, the guarantors party thereto, and Wells Fargo Bank, National Association as trustee, relating to the Senior Floating Rate Notes due 2010.
- 4.17(59) Indenture, dated as of June 12, 2007, among Registrant, the guarantors party thereto, and Wells Fargo Bank, National Association as trustee, relating to the Senior Floating Rate Notes due 2014.
- 10.2(10) Amended 1990 Incentive Stock Plan.
- 10.29(12) 1999 Stock Plan.
- 10.29.1(5) Addendum to the 1999 Stock Plan (Additional Terms and Conditions for Employees of the French subsidiary(ies)), dated February 21, 2001.
- 10.30(13) 1995 Director Option Plan.
- 10.31(14) 1996 Supplemental Stock Plan.
- 10.32(15) Hadco Corporation 1998 Stock Plan, as Amended and Restated March 3, 1999.
- 10.33(16) Hadco Corporation Non-Qualified Stock Option Plan, as Amended and Restated July 1, 1998.
- 10.34(17) Hadco Corporation Non-Qualified Stock Option Plan, as Amended and Restated April 7, 1998.
- 10.35(18) SCI Systems, Inc. 1994 Stock Option Incentive Plan.
- 10.36(19) SCI Systems, Inc. 2000 Stock Incentive Plan.
- 10.37(20) SCI Systems, Inc. Board of Directors Deferred Compensation Plan.
- 10.42(21) Form of Indemnification Agreement executed by the Registrant and its officers and directors pursuant to the Delaware reincorporation.
- 10.49(5) Deferred Compensation Plan for Outside Directors.
- 10.50(5) Rules of the Sanmina-SCI Corporation Stock Option Plan 2000 (Sweden).

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- 10.50.1(5) Rules of the Sanmina-SCI Corporation Stock Option Plan 2000 (Finland).
 - 10.51(29) Executive Deferred Compensation Plan.
 - 10.53(31) 2003 Employee Stock Purchase Plan.
 - 10.55(34) Committed Account Receivable Purchase Agreement, dated April 1, 2005, between Sanmina-SCI UK Limited and Citibank International Plc.
 - 10.56(35) Committed Account Receivable Purchase Agreement, dated April 1, 2005, between Sanmina-SCI Magyarorszag Elektronikai Gyarto Kft and Citibank International Plc.
 - 10.57(48) Revolving Receivables Purchase Agreement, dated as of September 23, 2005, among Sanmina-SCI Magyarorszag Elektronikai Gyarto Kft, Sanmina-SCI Systems de Mexico S.A. de C.V., as Originators, the Registrant and Sanmina-SCI UK Ltd., as Servicers, the banks and financial institutions party thereto from time to time, and Deutsche Bank AG New York, as Administrative Agent.
 - 10.58(49) Randy Furr separation agreement.
 - 10.59 Revolving Trade Receivables Purchase Agreement, dated as of September 21, 2007, among Sanmina-SCI Magyarorszag Elektronikai Gyarto Kft and Sanmina-SCI Systems de Mexico, S.A. de C.V., as Originators, the Registrant, Sanmina-SCI UK Ltd., and Sanmina-SCI Israel Medical Ltd., as Servicers, the banks and financial institutions party thereto from

time to time, and Deutsche Bank AG New York, as Administrative Agent.

- 10.60 Employment Agreement dated as of August 28, 2007 by and between the Registrant and Joseph Bronson.
 - 10.61 Employment Agreement dated as of June 15, 2007 by and between the Registrant and Walter Hussey.
 - 10.62 Employment Agreement dated as of March 2, 2007 by and between the Registrant and Michael Tyler.
 - 14.1(32) Sanmina-SCI Corporation Code of Business Conduct and Ethics.
 - 21.1 Subsidiaries of the Registrant.
 - 23.1 Consent of KPMG LLP, independent registered public accounting firm.
 - 31.1 Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
 - 31.2 Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
 - 32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
 - 32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
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- (1) Incorporated by reference to Exhibit 3.2 to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 1996, SEC File No. 000-21272, filed with the Securities and Exchange Commission ("SEC") on December 24, 1996.

- (2) Incorporated by reference to Exhibit 3.1(a) to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2001, filed with the SEC on May 11, 2001.
- (3) Incorporated by reference to Exhibit 3.1.3 to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2001, filed with the SEC on December 21, 2001.
- (4) Incorporated by reference to Exhibit 3.1.2 to the Registrant's Registration Statement on Form S-4 filed with the SEC on August 10, 2001.
- (5) Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 28, 2002, filed on December 4, 2002.
- (6) Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form 8-A filed with the SEC on May 25, 2001.
- (7) Intentionally Omitted.
- (8) Incorporated by reference to Exhibit 2.2 to SCI Systems, Inc.'s Registration Statement on Form 8-A12B, SEC File No. 001-12821, filed with the SEC on March 9, 2000.
- (9) Incorporated by reference to Exhibit 4.1 to SCI Systems, Inc.'s Report on Form 8-K, SEC File No. 001-12821, filed with the SEC on April 5, 2000.
- (10) Incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 10-K, SEC File No. 000-21272, filed with the SEC on December 29, 1994.
- (11) Incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1, SEC File No. 33-70700, filed with the SEC on February 19, 1993.
- (12) Incorporated by reference to Exhibit 4.3 to the Registrant's Report on Form S-8, filed with the SEC on May 25, 1999.
- (13) Incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-8, SEC File No. 333-23565, filed with the SEC on March 19, 1997.
- (14) Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-8, SEC File No. 333-23565, filed with the SEC on March 19, 1997.
- (15) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8, filed with the SEC on June 23, 2000.
- (16) Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8, filed with the SEC on June 23, 2000.
- (17) Incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-8, filed with the SEC on June 23, 2000.
- (18) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8, filed with the SEC on December 20, 2001.
- (19) Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8, filed with the SEC on December 20, 2001.
- (20) Incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-8, filed with the SEC on December 20, 2001.
- (21) Incorporated by reference to Exhibit 10.42 to the Registrant's Registration Statement on Form S-1, SEC File No. 33-70700, filed with the SEC on February 19, 1993.
- (22) Intentionally Omitted.

- (23) Incorporated by reference to Exhibit 2.1 to the Registrant's Registration Statement on Form S-4 filed with the SEC on August 10, 2001.
- (24) Incorporated by reference to Exhibit 99.1 to the Registrant's Report on Form 8-K, filed with the SEC on April 23, 2002.
- (25) Incorporated by reference to Exhibit 4.7 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2002, filed February 11, 2003.
- (26) Intentionally Omitted.
- (27) Incorporated by reference to Exhibit 4.9 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2002, filed February 11, 2003.
- (28) Incorporated by reference to Exhibit 4.10 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2002, filed February 11, 2003.
- (29) Incorporated by reference to Exhibit 10.51 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2002, filed February 11, 2003.
- (30) Incorporated by reference to Exhibit 10.52 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2002, filed February 11, 2003.
- (31) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8, filed with the SEC on April 23, 2003.
- (32) Incorporated by reference to Exhibit 14.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 27, 2003, filed December 9, 2003.
- (33) Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-Q for the fiscal quarter ended June 30, 2007, filed August 6, 2007.
- (34) Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2005, filed on May 12, 2005.
- (35) Incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2005, filed on May 12, 2005.
- (36) Incorporated by reference to Exhibit 4.12 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 2, 2004, filed December 29, 2004.
- (37) Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on February 24, 2005.
- (38) Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 8, 2005.
- (39) Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 16, 2005.
- (40) Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on February 17, 2006.
- (41) Incorporated by reference to Exhibit 99.2 and 99.3 the Registrant's Current Report on Form 8-K filed on August 22, 2006.
- (42) Incorporated by reference to Exhibit 4.12 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 1, 2006, filed with the SEC on May 11, 2001.
- (43) Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 1, 2006, filed with the SEC on May 11, 2001.

- (44) Incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 1, 2006, filed with the SEC on May 11, 2001.
- (45) Incorporated by reference to Exhibit 4.7.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (46) Incorporated by reference to Exhibit 4.12.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (47) Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on February 15, 2006.
- (48) Incorporated by reference to Exhibit 10.57 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (49) Incorporated by reference to Exhibit 10.58 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (50) Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 22, 2005.
- (51) Incorporated by reference to Exhibit 4.2.3 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (52) Incorporated by reference to Exhibit 4.7.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (53) Incorporated by reference to Exhibit 4.13.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (54) Incorporated by reference to Exhibit 4.13.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006, filed January 3, 2007.
- (55) Incorporated by reference to Exhibit 4.14.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006, filed January 3, 2007.
- (56) Incorporated by reference to Exhibit 4.15.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006, filed January 3, 2007.
- (57) Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form 8-K filed June 6, 2007.
- (58) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form 8-K filed June 13, 2007.
- (59) Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form 8-K filed June 13, 2007.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Sanmina-SCI Corporation:

We have audited the accompanying consolidated balance sheets of Sanmina-SCI Corporation and subsidiaries (the Company) as of September 29, 2007 and September 30, 2006, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the fiscal years in the three-year period ended September 29, 2007. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule II as set forth under Item 15. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sanmina-SCI Corporation and subsidiaries as of September 29, 2007 and September 30, 2006, and the results of their operations and their cash flows for each of the fiscal years in the three-year period ended September 29, 2007, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in note 14 to the consolidated financial statements, the Company changed its method of accounting for its pension plans and other postretirement benefits upon adoption of Statement of Financial Accounting Standards (SFAS) No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132R*, in fiscal 2007. As discussed in note 2 to the consolidated financial statements, the Company adopted Securities and Exchange Commission Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements*, in fiscal 2007. Also as discussed in note 2 to the consolidated financial statements, the Company changed its method of accounting for stock-based compensation upon adoption of SFAS No. 123R, *Share-Based Payment*, at the beginning of fiscal 2006.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of September 29, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated November 28, 2007 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Mountain View, California
November 28, 2007

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Sanmina-SCI Corporation:

We have audited Sanmina-SCI Corporation and subsidiaries' (the Company) internal control over financial reporting as of September 29, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting* appearing under Item 9A. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Sanmina-SCI Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of September 29, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Sanmina-SCI Corporation and subsidiaries as of September 29, 2007 and September 30, 2006, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the fiscal years in the three-year period ended September 29, 2007, and our report dated November 28, 2007 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Mountain View, California
November 28, 2007

SANMINA-SCI CORPORATION

CONSOLIDATED BALANCE SHEETS

	As of	
	September 29, 2007	September 30, 2006
	(In thousands, except par value)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 933,424	\$ 491,829
Accounts receivable, net of allowances of \$4,044 and \$8,971 in 2007 and 2006, respectively	1,218,375	1,526,373
Inventories	1,059,856	1,318,400
Prepaid expenses and other current assets	203,802	154,401
Total current assets	3,415,457	3,491,003
Property, plant and equipment, net	609,394	620,132
Other intangible assets, net	22,218	29,802
Goodwill	510,669	1,613,230
Other non-current assets	112,217	108,263
Total assets	\$ 4,669,955	\$ 5,862,430
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,450,705	\$ 1,494,603
Accrued liabilities	203,941	223,398
Accrued payroll and related benefits	142,436	156,248
Current portion of long-term debt	—	100,000
Total current liabilities	1,797,082	1,974,249
Long-term liabilities:		
Long-term debt, net of current portion	1,588,072	1,507,112
Other	111,654	110,506
Total long-term liabilities	1,699,726	1,617,618
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, \$.01 par value, authorized 5,000 shares, none issued and outstanding	—	—
Common stock, \$.01 par value, authorized 1,000,000 shares, 548,763 and 551,780 shares issued, respectively, and 529,964 and 532,905 shares outstanding, respectively	5,488	5,519
Treasury stock, 18,799 and 18,875 shares, respectively, at cost	(185,541)	(186,361)
Additional paid-in capital	5,977,991	5,952,857
Accumulated other comprehensive income	61,060	42,608
Accumulated deficit	(4,685,851)	(3,544,060)
Total stockholders' equity	1,173,147	2,270,563
Total liabilities and stockholders' equity	\$ 4,669,955	\$ 5,862,430

See accompanying notes to the consolidated financial statements.

SANMINA-SCI CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
(In thousands, except per share amounts)			
Net sales	\$ 10,384,254	\$ 10,955,421	\$ 11,734,674
Cost of sales	9,831,041	10,333,685	11,104,492
Gross profit	553,213	621,736	630,182
Operating expenses:			
Selling, general and administrative	374,181	364,854	364,026
Restructuring costs	44,602	132,230	116,245
Research and development	30,085	40,181	30,986
Impairment of goodwill, tangible and other intangible assets	1,099,650	19,000	600,000
Amortization of intangible assets	6,632	9,554	8,685
In-process research and development	—	2,600	—
Total operating expenses	1,555,150	568,419	1,119,942
Operating income (loss)	(1,001,937)	53,317	(489,760)
Interest income	28,766	19,434	22,536
Interest expense	(168,291)	(121,813)	(147,342)
Loss on extinguishment of debt	(3,175)	(84,600)	(3,059)
Other income (expense), net	23,734	(16,491)	(22,200)
Interest and other expense, net	(118,966)	(203,470)	(150,065)
Loss before income taxes and cumulative effect of accounting changes	(1,120,903)	(150,153)	(639,825)
Provision for (benefit from) income taxes	13,754	(5,766)	394,121
Loss before cumulative effect of accounting changes	(1,134,657)	(144,387)	(1,033,946)
Cumulative effect of accounting changes, net of tax	—	2,830	—
Net loss	\$ (1,134,657)	\$ (141,557)	\$ (1,033,946)
Basic and diluted loss per share:			
Loss before cumulative effect of accounting changes	\$ (2.15)	\$ (0.27)	\$ (1.99)
Cumulative effect of accounting changes	—	—	—
Basic and diluted loss per share	\$ (2.15)	\$ (0.27)	\$ (1.99)
Weighted-average shares used in computing per share amounts:			
Basic	527,117	525,967	520,574
Diluted	527,117	525,967	520,574

See accompanying notes to the consolidated financial statements.

SANMINA-SCI CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
	(In thousands)		
Net loss	\$ (1,134,657)	\$ (141,557)	\$ (1,033,946)
Other comprehensive income (loss):			
Net unrealized gain (loss) on derivative financial instruments, net of tax	(11,376)	(240)	201
Foreign currency translation adjustments	26,798	933	7,821
Changes in unrecognized net actuarial loss and unrecognized transition costs, net of tax	3,030	—	—
Changes in minimum pension liability, net of tax	—	5,029	(3,826)
Comprehensive loss	\$ (1,116,205)	\$ (135,835)	\$ (1,029,750)

See accompanying notes to the consolidated financial statements.

SANMINA-SCI CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock and Additional Paid in Capital		Deferred Stock-based Compensation	Treasury Stock		Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Number of Shares	Amount		Number of Shares	Amount			
(in thousands)								
BALANCE AT OCTOBER 2, 2004	541,305	\$ 5,964,369	\$ (78,902)	(18,827)	\$ (188,607)	\$ 32,690	\$ (2,368,557)	\$ 3,360,993
Exercise of common stock options	1,341	4,736	—	—	—	—	—	4,736
Issuance of common stock under employee stock purchase plan	2,976	12,032	—	—	—	—	—	12,032
Issuance of restricted stock and options net of cancellations	68	(15,933)	15,933	—	—	—	—	—
Segerstrom 6% shares settlement	—	(70)	—	—	—	—	—	(70)
Cumulative translation adjustment	—	—	—	—	—	7,821	—	7,821
Unrealized gain on investments and derivative financial instruments, net of tax	—	—	—	—	—	201	—	201
Change in minimum pension liability in excess of plan assets, net of tax	—	—	—	—	—	(3,826)	—	(3,826)
Income tax benefit of disqualified dispositions	—	(528)	—	—	—	—	—	(528)
Stock-based compensation	—	230	36,080	—	—	—	—	36,310
Repurchase of treasury stock	—	—	—	(26)	88	—	—	88
Net loss	—	—	—	—	—	—	(1,033,946)	(1,033,946)
BALANCE AT OCTOBER 1, 2005	545,690	\$ 5,964,836	\$ (26,889)	(18,853)	\$ (188,519)	\$ 36,886	\$ (3,402,503)	\$ 2,383,811
Exercise of common stock options	2,347	7,622	—	—	—	—	—	7,622
Issuance of common stock under employee stock purchase plan	1,500	5,226	—	—	—	—	—	5,226
Issuance of restricted stock and options net of cancellations	2,243	—	—	—	—	—	—	—
Adoption of SFAS No. 123R	—	(26,889)	26,889	—	—	—	—	—
Cumulative translation adjustment	—	—	—	—	—	933	—	933
Unrealized loss on derivative financial instruments, net of tax	—	—	—	—	—	(240)	—	(240)
Change in minimum pension liability in excess of plan assets, net of tax	—	—	—	—	—	5,029	—	5,029
Stock-based compensation	—	7,581	—	—	—	—	—	7,581
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Repurchase of treasury stock	—	—	—	(22)	2,158	—	—	2,158
Net loss	—	—	—	—	—	—	(141,557)	(141,557)
BALANCE AT SEPTEMBER 30, 2006	551,780	\$ 5,958,376	\$ —	(18,875)	\$ (186,361)	\$ 42,608	\$ (3,544,060)	\$ 2,270,563
Cumulative effect of SAB No. 108 adjustment	—	7,134	—	—	—	—	(7,134)	—
Exercise of common stock options	1	3	—	—	—	—	—	3

Cancellation of restricted stock and options net of issuance	(3,018)	—	—	—	—	—	—	—
Cumulative translation adjustment	—	—	—	—	—	26,798	—	26,798
Unrealized loss on derivative financial instruments, net of tax	—	—	—	—	—	(11,376)	—	(11,376)
Changes in unrecognized net actuarial loss and unrecognized transition costs, net of tax	—	—	—	—	—	3,030	—	3,030
Stock-based compensation, net of tax adjustments	—	17,479	—	—	—	—	—	17,479
Disposition of treasury stock	—	487	—	76	820	—	—	1,307
Net loss	—	—	—	—	—	—	(1,134,657)	(1,134,657)
BALANCE AT SEPTEMBER 29, 2007	548,763	\$ 5,983,479	\$ —	(18,799)	\$ (185,541)	\$ 61,060	\$ (4,685,851)	\$ 1,173,147

See accompanying notes to the consolidated financial statements.

SANMINA-SCI CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
	(In thousands)		
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Net loss	\$ (1,134,657)	\$ (141,557)	\$ (1,033,946)
Adjustments to reconcile net loss to cash provided by operating activities:			
Depreciation and amortization	117,194	138,597	178,324
In-process research and development	—	2,600	—
Restructuring (recovery of) non-cash costs	(4,177)	24,028	9,022
Provision for (recovery of) doubtful accounts	1,709	(2,543)	(5,410)
Stock-based compensation expense	17,479	13,276	36,310
Loss (gain) on disposal of property, plant and equipment, net, and business	(18,997)	(617)	61
Loss on extinguishment of debt	3,175	84,600	3,059
Loss on termination of interest rate swap	—	5,464	22,102
Write-off deferred financing costs in connection with redemption of debt	—	—	5,359
Impairment of assets	—	15,213	—
Cumulative effect of accounting changes, net	—	(2,830)	—
Goodwill impairment	1,099,650	3,787	600,000
Proceeds from sale of accounts receivable	1,830,236	1,508,483	407,705
Other, net	(659)	1,190	1,103
Deferred income taxes	(3,633)	7,949	349,221
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(1,519,832)	(1,551,764)	(194,612)
Inventories	260,085	(283,885)	57,889
Prepaid expenses and other assets	(65,046)	(28,968)	29,285
Accounts payable, accrued liabilities and other long-term liabilities	(96,593)	(131,184)	(51,479)
Cash provided by (used in) operating activities	485,934	(338,161)	413,993
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES:			
Purchases of short-term investments	(3,910)	(19,841)	(79,554)
Proceeds from maturities of short-term investments	6,461	80,739	44,192
Purchases of long-term investments	(400)	(1,823)	(3,015)
Proceeds from sale of long-term investments	1,329	—	—
Purchases of property, plant and equipment	(88,358)	(139,195)	(74,549)
Proceeds from sale of property, plant and equipment	50,231	42,461	40,112
Proceeds from sale of business	22,000	—	—
Cash paid for businesses acquired, net of cash acquired	(4,217)	(44,651)	(95,235)
Cash used in investing activities	(16,864)	(82,310)	(168,049)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES:			
Change in restricted cash	—	22,460	(1,076)
Repurchase of convertible notes	—	(543)	(623,558)
Repayments of long-term debt	(1,125,000)	(750,929)	(21,490)
Proceeds from long-term debt, net of issuance costs	1,181,409	587,123	403,307
Interest rate swap termination associated with debt extinguishment	—	(29,785)	—
Redemption premium associated with debt extinguishment	—	(70,751)	—
Payment of consent fees	—	(12,475)	—
(Payments of) additions to notes and credit facilities, net	(100,184)	97,993	(13,197)
Proceeds from issuance of common stock	3	12,848	16,767
Cash used in financing activities	(43,772)	(144,059)	(239,247)
Effect of exchange rate changes	16,297	(11,694)	(8,091)
Increase (decrease) in cash and cash equivalents	441,595	(576,224)	(1,394)
Cash and cash equivalents at beginning of year	491,829	1,068,053	1,069,447
Cash and cash equivalents at end of year	\$ 933,424	\$ 491,829	\$ 1,068,053
Supplemental disclosures of cash flow information:			
Cash paid during the year			
Interest	\$ 150,113	\$ 121,671	\$ 109,968
Income taxes (excludes refunds of \$24.8 million, \$34.9 million and \$6.8 million in fiscal 2007, 2006, and 2005, respectively)	\$ 47,106	\$ 61,981	\$ 20,826

See accompanying notes to the consolidated financial statements.

SANMINA-SCI CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization of Sanmina-SCI

Sanmina-SCI Corporation ("Sanmina-SCI," "we," "us," or the "Company") was incorporated in Delaware in 1989. We are a leading independent global provider of customized, integrated electronics manufacturing services, or EMS. We provide these services to original equipment manufacturers, or OEMs, primarily in the communications, personal and business computing, enterprise computing and storage, multimedia, industrial and semiconductor capital equipment, defense and aerospace, medical and automotive industries. Our services consist primarily of product design and engineering, including initial development, detailed design, preproduction services and manufacturing design, volume manufacturing of complete systems, components and subassemblies, final system assembly and test, direct order fulfillment and logistic services and after-market product service and support. System components and subassemblies that we manufacture include printed circuit boards, backplanes and backplane assemblies, enclosures, cable assemblies, precision machine components, optical modules and memory modules.

Reclassifications

We have reclassified certain prior year balances to conform to the current year's presentation.

Note 2. Summary of Significant Accounting Policies

Fiscal Year. We operate on a 52 or 53 week year ending on the Saturday nearest September 30. Fiscal years 2007, 2006 and 2005 are each 52 weeks. All general references to years relate to fiscal years unless otherwise noted.

Principles of Consolidation. The consolidated financial statements include our accounts and those of our wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

Foreign Currency Translation. For foreign subsidiaries using the local currency as their functional currency, assets and liabilities are translated at exchange rates in effect at the balance sheet date and income and expenses are translated at average exchange rates. The effects of these translation adjustments are reported as a separate component of stockholders' equity, net of tax. For foreign subsidiaries using the US Dollar as their functional currency, remeasurement adjustments for non-functional currency monetary assets and liabilities are included in other expense, net in the accompanying Consolidated Statements of Operations. Additionally, remeasurement gains/losses with respect to long-term intercompany loans denominated in a currency other than the functional currency are charged or credited to other comprehensive income (loss) if repayment of the loan is not anticipated in the foreseeable future.

Derivative Instruments and Hedging Activities. We conduct business on a global basis in several currencies. As such, we are exposed to adverse movements in foreign currency exchange rates. We use various derivatives, such as foreign currency forward contracts and foreign currency option contracts, to minimize the volatility of earnings and cash flows associated with changes in foreign currency exchange rates.

We are also exposed to adverse movements in interest rates on our existing debt obligations. We use interest rate swaps to minimize volatility in earnings and cash flows associated with changes in interest rates.

We account for derivative instruments and hedging activities in accordance with Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and

Hedging Activities—an Amendment of SFAS 133" and SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." In accordance with these standards, every derivative instrument is recorded in the balance sheet as either an asset or liability measured at its fair value. If the derivative is designated as a cash flow hedge, the effective portion of changes in the fair value of the derivative is recorded in stockholders' equity as a separate component of accumulated other comprehensive income and is recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are immediately recognized in earnings. If the derivative is designated as a fair value hedge, changes in the fair value of the derivative and of the hedged item related to the hedged risk are recognized in earnings in the current period.

Derivative instruments are entered into for periods of time consistent with the related underlying exposures and are not entered into for speculative purposes. The Company documents all relationships between derivative instruments and related hedged items, as well as its risk-management objectives and strategies for undertaking various hedging transactions. All derivative instruments are recorded on the Consolidated Balance Sheets at their respective fair values in accordance with SFAS No. 133 as amended.

Hedging of Forecasted Foreign Currency Transactions. The Company utilizes foreign currency forward and option contracts to hedge certain operational ("cash flow") exposures resulting from changes in foreign currency exchange rates. Such exposures result from portions of forecasted sales, cost of sales and expenses denominated in currencies other than the U.S. dollar. These contracts are typically less than 12 months in duration and are accounted for as cash flow hedges under SFAS No. 133, subject to periodic assessment of effectiveness. At September 29, 2007 and September 30, 2006, the Company had outstanding forward and option contracts related to cash flow hedges in various foreign currencies in the aggregate notional amount of \$30.0 million and \$10.1 million, respectively. The ineffective portion of these foreign exchange contracts was not material to the results of operations for fiscal 2007, 2006 and 2005.

Hedging of Currency Exposures Associated with Certain Assets and Liabilities Denominated in Foreign Currencies. The Company also enters into short-term foreign currency forward contracts to hedge currency exposures associated with certain assets and liabilities denominated in foreign currencies. These contracts typically have maturities of three months or less and are not designated as part of a hedging relationship in accordance with SFAS No. 133. All outstanding foreign currency forward contracts are marked to market at the end of the period with unrealized gains and losses included in other income (expense), net in the Consolidated Statement of Operations. At September 29, 2007 and September 30, 2006, the Company had outstanding foreign currency forward contracts to exchange various foreign currencies for U.S. dollars in the aggregate notional amount of \$279.5 million and \$403.4 million, respectively.

Hedging of Interest Rate Exposures. On February 24, 2005, the Company entered into interest rate swap agreements with four independent swap counterparties to hedge its interest rate exposures related to its \$400 million 6.75% Senior Subordinated Notes due in 2013 (the "6.75% Notes")—refer to Note 10 of the Notes to Consolidated Financial Statements. The swap agreements, with an aggregate notional amount of \$400 million and expire in 2013, effectively convert the fixed interest rate obligation to a variable rate obligation and are accounted for as fair value hedges under SFAS No. 133 but are exempt from periodic assessment of hedge effectiveness under Paragraph 68 of SFAS No. 133. Under

the terms of the swap agreements, the Company pays the independent swap counterparties an interest rate equal to the six-month LIBOR rate plus a spread ranging from 2.214% to 2.250%. In exchange, the Company receives a fixed rate of 6.75%. At September 29, 2007 and September 30, 2006, \$11.9 million and \$17.1 million, respectively, have been recorded in other long-term liabilities on the Consolidated Balance Sheets for the fair value of the interest rate swap agreements. The differential paid or received on the interest rate swap is recognized in earnings as an adjustment to interest expense. Interest expense for the fiscal years ended September 29, 2007 and September 30, 2006 increased by \$4.3 million and \$0.8 million, respectively, and interest expense for the fiscal year ended October 1, 2005 decreased by \$3.1 million as a result of the difference between the 6.75% fixed interest rate on the 6.75% Notes and the variable interest rates under the swap agreements which averaged 7.76%, 6.98% and 5.42% during the fiscal years ended September 29, 2007, September 30, 2006 and October 1, 2005, respectively.

On June 12, 2007, the Company entered into interest rate swap agreements with two independent swap counterparties to hedge its interest rate exposures related to its \$300 million aggregate principal amount of Senior Floating Rate Notes due in 2014 (the "2014 Notes")—refer to Note 10 of the Notes to Consolidated Financial Statements. The swap agreements, with an aggregate notional amount of \$300 million that expires in 2014, effectively convert the variable interest rate obligation to a fixed rate obligation and are accounted for as cash flow hedges under SFAS No.133, subject to periodic assessment of hedge effectiveness. Under the terms of the swap agreements, the Company pays the independent swap counterparties a fixed rate of 5.594%. In exchange, the Company receives an interest rate equal to the three-month LIBOR. These swap agreements effectively fix the interest rate on the Company's 2014 Notes at 8.344% through 2014. At September 29, 2007, \$11.4 million has been recorded in other long-term liabilities to record the fair value of the interest rate swap agreements, with a corresponding decrease to accumulated other comprehensive income, net, on the Consolidated Balance Sheets. Over the next 12 months, the Company expects to reclassify approximately \$1.9 million to interest expense. Amounts in accumulated other comprehensive income (loss) will be reclassified when the hedged interest expense is realized in the Consolidated Statement of Operations. The ineffective portion of the hedges was immediately recognized in other income (expense), net, on the Consolidated Statement of Operations and was not material for the fiscal year ended September 29, 2007.

The Company's foreign exchange forward and option contracts and interest rate swaps expose the Company to credit risk to the extent the counterparties may be unable to meet the terms of the agreement. The Company minimizes such risk by limiting the Company's counterparties to major financial institutions. The Company does not expect material losses as a result of default by counterparties.

Management Estimates and Uncertainties. The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made in preparing the consolidated financial statements relate to allowances for accounts receivable; provisions for inventories; warranties; restructuring costs; environmental matters; legal exposures; determining the realizability of deferred tax assets; determining fair values of reporting units for purposes of goodwill impairment tests; determining fair value of tangible and intangible assets for

purposes of impairment tests and determining forfeiture rates, volatility and expected life assumptions for purposes of stock compensation expense calculations. Actual results could differ materially from these estimates.

Financial Instruments and Concentration of Credit Risk. Financial instruments consist of cash and cash equivalents, foreign currency forward and option contracts, interest rate swap agreements, accounts receivable, accounts payable and short and long-term debt obligations. With the exception of certain of our long-term debt obligations (refer to Note 3), the fair value of these financial instruments approximates their carrying amount as of September 29, 2007 and September 30, 2006 due to the nature, or the short maturity, of these instruments.

Cash and Cash Equivalents. We consider all highly-liquid investments with a remaining maturity of three months or less at the time of purchase to be cash equivalents.

Cash and cash equivalents consisted of the following:

	As of	
	September 29, 2007	September 30, 2006
	(In thousands)	
Cash and bank balances	\$ 841,914	\$ 344,968
Money market funds	91,442	125,726
Other security funds	68	21,135
Total	\$ 933,424	\$ 491,829

Short-Term Investments. The Company has a deferred compensation plan that allows employees to defer a portion of their compensation. Participants were allowed to diversify in this plan and some have diversified. Accordingly, the Company accounts for assets held in the deferred compensation plan as trading securities in accordance with applicable generally accepted accounting principles. As of September 29, 2007, the Company had \$13.4 million in short-term investments related to the Company's deferred compensation plan for eligible employees. These short-term investments are classified in the Consolidated Balance Sheets as prepaid expenses and other current assets.

Long-Term Investments. The Company has investments in non-public companies which are carried at cost. The Company monitors these investments for other-than-temporary impairment and records appropriate reductions in carrying value when necessary. As of September 29, 2007 and September 30, 2006, total long-term investments were \$11.0 million and \$11.3 million, respectively. Long-term investments are classified in the Consolidated Balance Sheets as non-current assets.

Accounts Receivable and Other Related Allowances. The Company estimates product returns and other adjustments related to current period net sales to establish related allowances of \$12.7 million and \$11.2 million as of September 29, 2007 and September 30, 2006, respectively. One of the Company's most significant credit risks is the ultimate realization of its accounts receivable. This risk is mitigated by (i) ongoing credit evaluation of customers and (ii) frequent contact with customers, especially the most significant customers, which enables the Company to monitor current changes in business operations and respond accordingly. To establish the allowance for doubtful accounts, the Company regularly estimates the credit risk associated with accounts receivable by analyzing the creditworthiness of its customers, past experience, changes in customer demand, and the overall

economic climate in industries that it serves. As of September 29, 2007 and September 30, 2006 allowance for doubtful accounts was \$4.0 million and \$9.0 million, respectively.

Sales of Accounts Receivable. The Company accounts for sales of accounts receivable in accordance with SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liability" as amended by SFAS No. 156, "Accounting for Servicing of Financial Assets an Amendment of FASB Statement No. 140." When we sell receivables, we retain the servicing rights to the underlying accounts receivable. The fair value of the retained servicing rights is not material to the Consolidated Statements of Operations.

Any retained interest as a result of a sale is reclassified from accounts receivable to prepaid and other current assets in the Consolidated Balance Sheets. The accounts receivable balances that are sold are removed from the Consolidated Balance Sheets and the related proceeds are reported as cash provided by operating activities in the Consolidated Statements of Cash Flows.

Inventories. Inventories are stated at the lower of cost (first-in, first-out method) or market. Cost includes labor, material and manufacturing overhead.

When required, provisions are made to reduce excess inventories to their estimated net realizable values. The ultimate realization of inventory carrying amounts is primarily affected by our exposure to changes in customer demand for inventory. Inventory reserves are established based on forecasted demand, past experience with specific customers, the ability to redistribute inventory to other programs or back to our suppliers, and the presence of contractual language obligating the customers to pay for the related inventory. Payments received from customers for excess inventory that we hold are recorded as a reduction of inventory.

Property, Plant and Equipment, net. Property, plant and equipment are stated at cost or, in the case of property and equipment acquired through business combinations accounted for as a purchase, initially at fair value based upon the allocated purchase price at the acquisition date. Depreciation and amortization are provided on a straight-line basis over 20 to 40 years for buildings, five to ten years for machinery and equipment and furniture and fixtures or, in the case of leasehold improvements, over the term of the related lease, if shorter.

We review long-lived tangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". An asset is considered impaired if its carrying amount exceeds the undiscounted future net cash flow the asset is expected to generate. If an asset or asset group is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. We estimate fair value based on projected discounted future net cash flows using a discount rate reflecting our average cost of capital, or other appropriate methods of determining fair value.

Restructured properties that are classified as held for sale are included in prepaid expenses and other current assets in our Consolidated Balance Sheets.

Restructuring Costs. We recognize restructuring costs resulting from the identification of excess manufacturing and administrative facilities that we choose to close or consolidate. In connection with our exit activities, we record restructuring charges for employee termination costs, long-lived asset impairments, costs related to leased facilities to be abandoned or subleased, and other exit-related

costs. These charges are incurred pursuant to formal plans developed and approved by management and accounted for in accordance with SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities, and Emerging Issues Task Force ("EITF") 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination." When applicable, employee termination costs are recorded pursuant to SFAS No. 112, "Employer's Accounting for Postemployment Benefits." Pursuant to SFAS No. 112, restructuring costs related to employee severance are recorded when probable and estimable in accordance with the Company's policy. Fixed assets that are written-off or impaired as a result of restructuring plans are typically accounted for as held for sale or are abandoned. The recognition of restructuring charges requires our management to make judgments and estimates regarding the nature, timing, and amount of costs associated with the planned exit activity, including estimating sublease income and the fair value, less selling costs, of property, plant and equipment to be disposed of. Management's estimates of future liabilities may change, requiring us to record additional restructuring charges or to reduce the amount of liabilities already recorded. At the end of each reporting period, we evaluate the remaining accrued balances to ensure their adequacy, that no excess accruals are retained, and that the utilization of the provisions are for their intended purposes in accordance with developed exit plans. In the event circumstances change and the provision is no longer required, the provision is reversed.

Goodwill. Costs in excess of the fair value of tangible and other intangible assets acquired and liabilities assumed in a purchase business combination are recorded as goodwill. SFAS No. 142, "Goodwill and Other Intangible Assets," requires that companies not amortize goodwill, but instead test for impairment at least annually using a two-step approach. We evaluate goodwill, at a minimum, on an annual basis and whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. Impairment of goodwill is tested at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. The fair values of the reporting units are estimated using a combination of the income, or discounted cash flows, approach and the market approach, which utilizes comparable companies' data. If the carrying amount of the reporting unit exceeds its fair value, goodwill is considered impaired and a second step is performed to measure the amount of impairment. The second step involves determining the fair value of goodwill for each reporting unit. Any excess carrying amount of goodwill over the fair value determined in the second step will be recorded as goodwill impairment loss.

Other Intangible Assets. We have certain other intangible assets that are subject to amortization. Intangible assets consist primarily of intellectual property and customer relationships obtained in acquisitions. These assets are carried at cost less accumulated amortization. These intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from five to eight years.

We review other intangible assets for impairment in accordance with SFAS No. 144 whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An asset is considered impaired if its carrying amount exceeds the undiscounted future net cash flow the asset is expected to generate. If an asset or asset group is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. We estimate fair value based on projected discounted future net cash flows using a discount rate reflecting our average cost of capital, or other appropriate methods of determining fair value.

Revenue Recognition. We derive revenue from sales manufacturing services. We also derive revenues from sales of certain inventory, including raw materials, to customers who reschedule, amend or cancel purchase orders after we have procured inventory to fulfill their purchase orders. We recognize revenue for manufacturing services based on shipping terms. For other services, we recognize revenue when they have been performed. Specifically, we recognize revenue when a persuasive arrangement between us and the buyer exists, the price is fixed or determinable, title to the product or the inventory is transferred to the customer and collectibility is reasonably assured. Except in specific circumstances, there are no formal customer acceptance requirements or further Sanmina-SCI obligations related to the product or the inventory subsequent to shipment. In specific circumstances in which there are customer acceptance requirements or further Sanmina-SCI obligations, with the exception of our warranty, revenue is recognized at the point of formal acceptance or upon completion of obligations. Provisions are made for estimated sales returns and adjustments at the time revenue is recognized. Such provisions were not material to the Consolidated Financial Statements for any period presented herein. In specific circumstances in which the Company is acting as an agent on behalf of the customer on procurement and shipment of goods in accordance with EITF 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent", gross revenue is not recognized on the sale of the goods. Instead, revenue is recognized net of the costs of the goods sold. We present revenues net of sales taxes and value-added taxes in our Consolidated Statement of Operations in accordance with EITF 06-3, "How Taxes Collected From Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement". Amounts billed to customers related to shipping and handling are classified as revenue, and our shipping and handling costs are included in cost of sales.

Warranty Reserve. We establish a warranty reserve for shipped products based on individual manufacturing contract requirements and past warranty experience. At each period end, the balance is reviewed to ensure its adequacy.

Income taxes. We estimate our income tax provision or benefit in each of the jurisdictions in which we operate, including estimating exposures. We must also make judgments regarding the realizability of deferred tax assets. The carrying value of our net deferred tax assets is based on our belief that it is more likely than not that we will generate sufficient future taxable income in certain jurisdictions to realize these deferred tax assets. A valuation allowance has been established for deferred tax assets which we do not believe meet the "more likely than not" criteria established by SFAS No. 109, "Accounting for Income Taxes." Our judgments regarding future taxable income may change due to changes in market conditions, changes in tax laws, tax planning strategies or other factors. If our assumptions and consequently our estimates change in the future, the valuation allowances we have established may be increased or decreased, resulting in a respective increase or decrease in income tax expense. Our tax rate is highly dependent upon the geographic distribution of our worldwide earnings or losses, the tax regulations and tax holidays in each geographic region, the availability of tax credits and carryforwards, and the effectiveness of our tax planning strategies.

Earnings Per Share. Basic and diluted net loss per share are computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period.

Stock-Based Compensation. On October 2, 2005, we adopted SFAS No. 123R, "Share-Based Payment", which requires the measurement and recognition of compensation expense based on estimated fair values for all stock-based awards made to employees and directors including employee stock options, restricted stock units and purchase rights under our Employee Stock Purchase Plan

("ESPP"). SFAS No. 123R supersedes previous accounting under APB No. 25 for periods beginning in fiscal 2006. In March 2005, the SEC issued Staff Accounting Bulletin ("SAB") No. 107 providing supplemental implementation guidance for SFAS No. 123R. We have applied the provisions of SAB No. 107 in our adoption of SFAS No. 123R. Prior to the adoption of SFAS No. 123R, we accounted for equity compensation using APB No. 25 and related interpretations.

SFAS No. 123R requires companies to estimate the fair value of stock-based awards on the date of grant using an option pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service period in our Consolidated Statements of Operations. We adopted SFAS No. 123R using the modified prospective transition method which requires the application of the accounting standard starting from October 2, 2005, the first day of our fiscal 2006. Our Consolidated Financial Statements, for the fiscal year ended September 30, 2006, reflect the impact of SFAS No. 123R. In accordance with the modified prospective transition method we used in adopting SFAS No. 123R, our results of operations prior to fiscal 2006 have not been restated to reflect, and do not include, the impact of SFAS No. 123R.

Stock-based compensation expense recognized during a period is based on the value of the portion of stock-based awards that is ultimately expected to vest during the period. Stock-based compensation expense recognized in fiscal 2006 and fiscal 2007 includes compensation expense for stock-based awards granted prior to, but not yet vested as of October 1, 2005, based on the fair value on the grant date estimated in accordance with the pro forma provisions of SFAS No. 123, and compensation expense for stock-based awards granted subsequent to October 1, 2005, based on the fair value on the grant date estimated in accordance with the provisions of SFAS No. 123R. In conjunction with the adoption of SFAS No. 123R, we changed our method of attributing the value of stock-based compensation expense from the accelerated multiple-option method (for the purposes of disclosure of pro forma information under SFAS No. 123) to the straight-line single option method. Compensation expense for all stock-based awards granted on or prior to October 1, 2005 is being recognized using the accelerated multiple-option approach, and compensation expense for all stock-based awards granted subsequent to October 1, 2005 is being recognized using the straight-line single option method. Under APB No. 25 in fiscal 2005, we used the straight-line basis to recognize compensation expense for fixed awards with pro-rata vesting. Since stock-based compensation expense recognized in our results is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. SFAS No. 123R requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Prior to fiscal 2006, we accounted for forfeitures as they occurred.

Upon adoption of SFAS No. 123R, we selected the Black-Scholes option pricing model as the most appropriate method for determining the estimated fair value for stock options and purchase rights under our ESPP. The Black-Scholes model requires the use of highly subjective and complex assumptions which determine the fair value of stock-based awards, including the option's expected term and the price volatility of the underlying stock. For restricted stock units and awards, compensation expense is calculated based on the fair market value of our stock on the date of grant. In regards to the Company's performance restricted stock units, compensation expense is recognized pursuant to SFAS No. 123R only when the Company has met the performance probability criteria.

As a result of the adoption of SFAS No. 123R, our loss from continuing operations before income taxes and cumulative effect of accounting changes and net loss for the year ended September 30, 2006, was \$6.6 million less than under our previous accounting methodology for share-based compensation.

In addition, we recorded a benefit upon the adoption of SFAS No. 123R of approximately \$5.7 million in fiscal 2006 as a cumulative effect of an accounting change.

Recent Accounting Pronouncements. In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115". SFAS No. 159 is expected to expand the use of fair value accounting but does not affect existing standards which require certain assets or liabilities to be carried at fair value. The objective of SFAS No. 159 is to improve financial reporting by providing companies with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. Under SFAS No. 159, a company may choose, at specified election dates, to measure eligible items at fair value and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. For the Company, SFAS No. 159 is effective for financial statements issued in fiscal 2009, and interim periods within. The Company is currently assessing the impact of SFAS No. 159 on its results of operations and financial position.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". SFAS No. 157 defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. For the Company, SFAS No. 157 is effective for financial statements issued in fiscal 2009, and interim periods within. The Company is currently assessing the impact of SFAS No. 157 on its results of operations and financial position.

In September 2006, the SEC released SAB No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements". The Company was required to adopt SAB No. 108 in fiscal 2007.

SAB No. 108 provides interpretive guidance on how companies should quantify the effects of prior-year uncorrected misstatements in current year financial statements. SAB No. 108 requires companies to use both the "iron curtain" and "rollover" approaches when quantifying misstatement amounts. The rollover approach quantifies a misstatement based on the amount of the error originating in the current year income statement, whereas the "iron curtain" approach quantifies a misstatement based on the effects of correcting the error existing in the balance sheet at the end of the current year, regardless of the error's year of origination.

Based on the guidance in SAB No. 108, after applying both approaches, a company may conclude that errors existing in previously issued financial statements are material (but properly determined to be immaterial using a company's pre-SAB No. 108 methodology) or that the effect of uncorrected errors from prior periods is material to the current year. In these circumstances, SAB No. 108 permits companies to record the correcting amount as an adjustment to the opening balance of assets and liabilities, with an offsetting cumulative effect adjustment to retained earnings as of the beginning of the year of adoption.

In 2006, a Special Committee formed by the Company's Board of Directors conducted a review of, among other things, stock option grants made to all employees, directors and consultants during the period from January 1997 through June 2006. In connection with this review, the Company restated its financial statements for 1998 through 2005. Subsequent to the restatement, the Special Committee conducted a review of stock option grants made from the date of the Company's initial public offering in 1993 through December 1996. Based on this review, it was determined that stock compensation expense was understated by \$7.1 million in these periods.

Historically, the Company has evaluated uncorrected differences using the rollover approach. The Company believes the effect of these stock compensation expense errors are immaterial to prior fiscal years under the rollover approach. However, under the iron curtain approach, the Company determined that the cumulative stock compensation expense error is material to the Company's fiscal 2007 Consolidated Financial Statements. Therefore, the Company has recorded an adjustment to the October 1, 2006 retained earnings and additional paid-in capital balances in the amount of \$7.1 million in accordance with the implementation guidance in SAB No. 108.

In June 2006, the FASB issued Financial Accounting Standards Board Interpretation ("FIN") No. 48, "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109." The interpretation contains a two step approach to recognizing and measuring uncertain tax positions accounted for in accordance with SFAS No. 109. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The provisions are effective for the Company beginning in the first quarter of fiscal 2008. The Company is currently evaluating the impact this statement will have on its consolidated financial statements.

Note 3. Financial Instruments and Concentration of Credit Risk

The estimated fair values of certain of our long-term debt obligations, based on quoted market prices, as of September 29, 2007 are as follows:

	Carrying Amount	Fair Value
	(In thousands)	
8.125% Senior Subordinated Notes due 2016	\$ 600,000	\$ 525,000
6.75% Senior Subordinated Notes due 2013	\$ 400,000	\$ 351,000
\$300 Million Senior Floating Rate Notes due 2010	\$ 300,000	\$ 297,000
\$300 Million Senior Floating Rate Notes due 2014	\$ 300,000	\$ 285,000

Financial instruments that potentially subject us to credit risk consist of cash, cash equivalents and trade accounts receivable. The carrying value of these assets is expected to approximate fair value due to the assets' short duration. We maintain the majority of our cash and cash equivalents with recognized financial institutions that follow our investment policy. We have not experienced any significant losses on these investments to date. One of the most significant credit risks is the ultimate realization of accounts receivable. This risk is mitigated by (i) ongoing credit evaluation of our customers, and (ii) frequent contact with our customers especially our most significant customers, thus enabling us to monitor current changes in business operations and to respond accordingly. We generally

do not require collateral for sales on credit. We consider these concentrations of credit risks in establishing our allowance for doubtful accounts.

Sales to the following customers, expressed as a percentage of consolidated net sales, and the percentage of gross accounts receivable represented by each customer, were as follows:

	Percentage of Net Sales Year Ended			Percentage of Gross Accounts Receivable As of	
	September 29, 2007	September 30, 2006	October 1, 2005	September 29, 2007	September 30, 2006
IBM	11.6%	12.8%	23.2%	*	14.4%
Lenovo	11.2%	10.5%	*	*	*
HP	11.1%	10.0%	*	*	*

* Less than 10%

Note 4. Inventories

The components of inventories were as follows:

	As of	
	September 29, 2007	September 30, 2006
	(In thousands)	
Raw materials	\$ 770,208	\$ 905,236
Work-in-process	146,675	262,449
Finished goods	142,973	150,715
Total	\$ 1,059,856	\$ 1,318,400

Note 5. Property, Plant and Equipment, net

As of September 29, 2007 and September 30, 2006, property, plant and equipment consisted of the following:

	As of	
	September 29, 2007	September 30, 2006
	(In thousands)	
Machinery and equipment	\$ 1,490,195	\$ 1,465,565
Furniture and fixtures	21,286	22,340
Leasehold improvements	58,103	54,225
Land and buildings	504,298	503,996
	<u>2,073,882</u>	<u>2,046,126</u>
Less: Accumulated depreciation	(1,497,963)	(1,449,490)
	<u>575,919</u>	<u>596,636</u>
Construction in progress	33,475	23,496
Property, plant and equipment, net	<u>\$ 609,394</u>	<u>\$ 620,132</u>

Depreciation expense on property, plant and equipment for the years ended September 29, 2007, September 30, 2006 and October 1, 2005 was approximately \$109.6 million, \$128.3 million and \$168.7 million, respectively.

Restructured properties that are considered held for sale pursuant to SFAS No. 144, are included in prepaid expenses and other current assets in our Consolidated Balance Sheets. As of September 29, 2007 and September 30, 2006, assets held for sale were \$36.8 million and \$59.0 million, respectively.

Note 6. Goodwill and Other Intangible Assets

The Company realigned its reporting structure in the third quarter of fiscal 2007 based on organizational changes within the Company and the different types of manufacturing services offered to its customers. As a result, in accordance with SFAS No. 142, the Company identified three reporting units: Electronic Manufacturing Services, Personal Computing and Technology Components. Previously, Technology Components was not a reporting unit but was included as part of the Electronic Manufacturing Services reporting unit. In determining the allocation of goodwill to each reporting unit, the Company conducted a relative fair value analysis of the Electronic Manufacturing Services and Technology Components reporting units using an income and market approach. As a result of the analysis, management concluded that \$1,303 million and \$221 million of goodwill were attributable to the Electronic Manufacturing Services and Technology Components reporting units, respectively, as of the beginning of the fourth quarter of fiscal 2007. Goodwill for the Personal Computing reporting unit remained the same at \$89.1 million as of the beginning of the fourth quarter of fiscal 2007.

As required by SFAS No. 142, the Company must perform an impairment test for goodwill at least annually or whenever a triggering event occurs using a two step approach. Impairment of goodwill is tested at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. The fair values of the reporting units are estimated using a combination of the income, or discounted cash flows, approach and the market approach, which utilizes comparable companies' data. If the carrying amount of the reporting unit exceeds its fair value,

goodwill is considered impaired and a second step is performed to measure the amount of impairment. The second step involves determining the fair value of goodwill for each reporting unit. Any excess carrying amount of goodwill over the fair value determined in the second step will be recorded as goodwill impairment loss. These tests resulted in a goodwill impairment loss of \$1,100 million (\$821.9 million for Electronic Manufacturing Services, \$57.1 million for Personal Computing and \$220.7 million for Technology Components) for fiscal 2007, \$3.8 million in fiscal 2006 and \$600 million in 2005. The factors that caused the Company to record an impairment charge in fiscal 2007 were a decline in sales, both domestically and internationally, a decrease in the expected future cash flows and a decline in the company's stock price. The factor that caused the Company to record an impairment charge in fiscal 2006 was due to the Company's decision to align its ODM business to focus on joint development manufacturing opportunities at the end of the fourth quarter of fiscal 2006. In the second quarter of fiscal 2005, the factors that caused the Company to record a write-off of its deferred tax assets, which primarily related to U.S. operations coupled with the then-recent decline in the market price of its common stock, led the Company to record the \$600 million goodwill impairment loss.

Goodwill information for each reporting unit is as follows (in thousands):

	As of September 30, 2006	Allocation of Goodwill	Additions to Goodwill	Goodwill Impairment	Adjustments to Goodwill	As of September 29, 2007
Reporting units:						
Electronic Manufacturing Services	\$ 1,524,099	\$ (220,650)	\$ 175	\$ (821,891)	\$ (3,086)	478,647
Personal Computing	89,131	—	—	(57,109)	—	32,022
Technology Components	—	220,650	—	(220,650)	—	—
Total	\$ 1,613,230	\$ —	\$ 175	\$ (1,099,650)	\$ (3,086)	510,669

On a consolidated basis, goodwill decreased from \$1,613.2 million as of September 30, 2006 to \$510.7 million as of September 29, 2007 as a result of impairment to goodwill of \$1,099.7 million and adjustments of \$3.1 million, offset by additions to goodwill of \$0.2 million. Adjustments to goodwill consisted primarily of the release of tax reserves related to an acquisition by SCI Technologies Inc. prior to its merger with Sanmina Corporation.

The gross and net carrying values of other intangible assets at September 29, 2007 and September 30, 2006 were as follows:

	As of September 29, 2007				As of September 30, 2006			
	Gross Carrying Amount	Impairment of Intangibles	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Impairment of Intangibles	Accumulated Amortization	Net Carrying Amount
(In thousands)								
Other Intangible assets	\$ 72,106	\$ (7,928)	\$ (41,960)	\$ 22,218	\$ 72,106	\$ (7,928)	\$ (34,376)	\$ 29,802

The decrease in other intangible assets from September 30, 2006 to September 29, 2007 was due to amortization expense. Intangible asset amortization expense for the years ended September 29, 2007, September 30, 2006 and October 1, 2005 was approximately \$7.6 million (including \$1.0 million in cost

of sales), \$10.3 million (including \$0.7 million in cost of sales) and \$9.6 million (including \$1.0 million in cost of sales), respectively.

Estimated future annual amortization for other intangible assets at September 29, 2007 is as follows:

Fiscal Years:	(In thousands)
2008	\$ 7,552
2009	5,007
2010	2,964
2011	2,866
2012	2,114
Thereafter	1,715
	<u>\$ 22,218</u>

Note 7. Accumulated Other Comprehensive Income

Accumulated other comprehensive income, net of tax as applicable, consists of the following:

	Year Ended	
	September 29, 2007	September 30, 2006
	(In thousands)	
Foreign currency translation adjustment	\$ 73,963	\$ 47,164
Unrealized holding losses on derivative financial instruments	(11,376)	—
Unrecognized net actuarial loss and unrecognized transition cost	(1,527)	—
Minimum pension liability, net of tax	—	(4,556)
Total accumulated other comprehensive income	<u>\$ 61,060</u>	<u>\$ 42,608</u>

Note 8. Earnings Per Share

Basic and diluted net loss per share are computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period.

The following table sets forth the calculation of basic and diluted net loss per share:

	Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
(In thousands, except per share amounts)			
Numerator:			
Loss before cumulative effect of accounting changes	\$ (1,134,657)	\$ (144,387)	\$ (1,033,946)
Cumulative effect of accounting changes, net of tax	—	2,830	—
Net loss	\$ (1,134,657)	\$ (141,557)	\$ (1,033,946)
Denominator:			
Weighted average number of shares — basic and diluted	527,117	525,967	520,574
Net loss per share before cumulative effect of accounting changes—basic and diluted	\$ (2.15)	\$ (0.27)	\$ (1.99)
Net loss per share—basic and diluted	\$ (2.15)	\$ (0.27)	\$ (1.99)

The following table summarizes the weighted average dilutive securities that were excluded from the above calculation of diluted net loss per share because their inclusion would have had an anti-dilutive effect (in thousands):

	2007	2006	2005
Dilutive securities:			
Employee stock options	46,491	52,309	47,284
Restricted awards and units	3,135	2,325	3,738
Shares issuable upon conversion of zero coupon notes	—	1	3,178
Shares issuable upon conversion of 3% notes	6	12,698	12,698
Total anti-dilutive shares	49,632	67,333	66,898

The weighted average number of dilutive shares that would have been included in the calculation of diluted earnings per share for fiscal 2007 had the Company reported a net income instead of a net loss, was 1,847,582 shares, including 62,102 shares for employee stock options and 1,785,480 for restricted stock.

After-tax interest expense of \$5.0 million, \$10.8 million, and \$26.5 million (related to the Zero Coupon Convertible Subordinated Debentures which were paid in fiscal 2006 and 3% Convertible Subordinated Notes which were paid in fiscal 2007) for the years ended September 29, 2007, September 30, 2006 and October 1, 2005, respectively, was not included in the calculation of diluted loss per share because to do so would have been anti-dilutive. In addition, the related share equivalents on conversion of the debt were not included as to do so would have been anti-dilutive.

Note 9. Stock-Based Compensation

Total stock-based compensation expense (excluding the \$3.9 million tax benefit associated with the stock-based compensation expense in fiscal 2007 and the \$5.7 million benefit recorded on the cumulative effect of accounting changes in fiscal 2006) for the years ended September 29, 2007, September 30, 2006 and October 1, 2005 can be categorized as follows:

	Fiscal Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
	(In thousands)		
Cost of sales	\$ 8,235	\$ 6,475	\$ 14,788
Selling, general & administrative	12,591	6,127	20,117
Research & development	566	674	1,405
	<u>\$ 21,392</u>	<u>\$ 13,276</u>	<u>\$ 36,310</u>
	Fiscal Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
	(In thousands)		
Stock options	\$ 4,936	\$ 5,950	\$ 26,807
Employee stock purchase plan	—	4,228	—
Restricted stock awards	11,950	2,609	9,503
Restricted stock units	4,506	489	—
	<u>\$ 21,392</u>	<u>\$ 13,276</u>	<u>\$ 36,310</u>

During fiscal 2007, the Company revised its estimated forfeiture rate. Stock-based compensation expense increased from approximately \$13.3 million in fiscal 2006 to approximately \$21.4 million in fiscal 2007 primarily due to the Company's revision of its estimated forfeiture rate in fiscal 2007.

Stock Options

The Company's stock option plans provide its employees the right to purchase common stock at the fair market value of such shares on the grant date. The Company recognizes compensation expense for such awards over the vesting period which is generally five years. New hire options vest 20% at the end of year one and then vest ratably each month, thereafter, until fully vested at the end of year five. Recurring option grants vest ratably each month over a five-year period. One year option grants vest ratably each month over a one year period. The contractual term of all options is ten years. For option grants made prior to the adoption of SFAS No. 123R, the Company recognizes compensation expense using the multiple option approach. For option grants made subsequent to the adoption of SFAS No. 123R, the Company recognizes compensation expense ratably (straight-line) over the service period.

The fair value of each option award is estimated on the date of grant using the Black-Scholes valuation model with the assumptions noted in the table below. The expected life of options is based on observed historical exercise patterns. Expected volatility is an equally-weighted blend of implied volatilities from traded options on our stock having a life of more than six months and historical volatility over the expected life of the options. The risk-free interest rate is based on the implied yield

on a U.S. Treasury zero-coupon issue with a remaining term equal to the expected life of the option. The dividend yield reflects the Company's history and intentions of not to pay a dividend.

Assumptions used to estimate the fair value of stock options granted, excluding the Exchange Offer, during the years ended September 29, 2007, September 30, 2006 and October 1, 2005 are as follows:

	Fiscal Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
Volatility	54.3%	57.0%	61.0%
Risk-free interest rate	4.64%	4.68%	3.96%
Dividend yield	0%	0%	0%
Expected life of options	5.3 years	5.4 years	4.8 years

On May 15, 2007 and September 24, 2007, the Company executed tender offers to exchange certain outstanding options to purchase shares of its common stock, whether vested or unvested, for new options that were granted under its 1999 Stock Plan (the "Exchange Offer"). A total of 2,000 eligible option holders participated in the Exchange Offer. The Company accepted for cancellation options to purchase an aggregate of 21,832,416 shares of its common stock granted under the Sanmina-SCI Corporation 1990 Stock Plan, the Sanmina-SCI Corporation 1999 Stock Plan, the Sanmina-SCI Corporation Stock Option Plan 2000, the Altron 1991 Stock Option Plan (ISO plan), the Hadco Corporation Non-Qualified Stock Option Plans (dated September 7, 1990 and November 5, 1995), and the SCI Non Qualified Stock Option Plan. Subject to the terms and conditions of the Exchange Offer, the Company granted new options under the Company's 1999 Stock Plan to purchase an aggregate of 17,785,751 shares of its common stock in exchange for the options tendered and accepted pursuant to the Exchange Offer. Approximately \$5.7 million of unamortized expense related to the cancelled options and approximately \$11.3 million of incremental cost related to the Exchange Offer is being recognized over a three year vesting period. Assumptions used to estimate the fair value of the outstanding options tendered were as follows:

	Pre-Exchange	Post-Exchange
Domestic Exchange		
Volatility	34.7%-51.5%	48.7%
Risk-free interest rate	4.55%-5.07%	4.55%
Dividend yield	0%	0%
Expected life of options	0.5-5.5 years	5.0 years
International Exchange		
Volatility	52.5%-57.0%	53.8%
Risk-free interest rate	4.44%-4.65%	4.54%
Dividend yield	0%	0%
Expected life of options	0.5-4.9 years	4.5 years

A summary of stock option activity under the plans for the years ended September 29, 2007, September 30, 2006 and October 1, 2005 is as follows:

Summary Details for Plan Share Options

	Number of Shares	Weighted- Average Exercise Price (\$)	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value of In-The-Money Options (\$)
Outstanding, October 2, 2004	56,078,307	9.45		
Granted	8,825,023	6.42		
Exercised	(1,341,900)	3.53		
Cancelled/Forfeited/Expired	(7,091,073)	10.72		
Outstanding, October 1, 2005	56,470,357	8.96	6.54	4,108,148
Exercisable, October 1, 2005	53,811,115	9.19	6.49	3,437,315
Granted	7,419,000	4.10		
Exercised	(2,347,027)	3.25		
Cancelled/Forfeited/Expired	(10,828,576)	9.13		
Outstanding, September 30, 2006	50,713,754	8.47	6.22	458,342
Exercisable, September 30, 2006	43,818,552	9.16	5.77	338,150
Granted	24,641,294	3.35		
Exercised	(967)	3.52		
Cancelled/Forfeited/Expired	(32,320,377)	7.73		
Outstanding, September 29, 2007	43,033,704	6.10	7.50	28,921
Vested and expected to vest, September 29, 2007	37,770,243	6.48	7.21	23,972
Exercisable, September 29, 2007	18,438,096	9.72	4.77	5,795

The weighted-average grant date fair value of stock options granted during the year ended September 29, 2007 was \$0.99. The weighted-average grant date fair value of stock options granted during the years ended September 30, 2006 and October 1, 2005 was \$2.56 and \$3.96, respectively. The total intrinsic value of stock options exercised during the year ended September 29, 2007, September 30, 2006 and October 1, 2005 was \$0, \$2.8 million and \$4.0 million, respectively. The aggregate intrinsic value in the preceding table represents the total pretax intrinsic value of in-the-money options based on the Company's closing stock price of \$2.12 as of September 29, 2007, which would have been received by the option holders had all option holders exercised their options as of that date. The total number of in-the-money options exercisable as of September 29, 2007 was 134,770 and the weighted average exercise price was \$2.08.

At September 29, 2007, an aggregate of 62.5 million shares were authorized for future issuance under our stock plans, which covers stock options, employee stock purchase plan and restricted stock awards. A total of 12.1 million shares of common stock were available for grant under our stock plans as of September 29, 2007. Awards that expire or are cancelled without delivery of shares generally become available for issuance under the plans.

As of September 29, 2007, there was \$40.7 million of total unrecognized compensation expense related to stock options. These expenses are expected to be recognized over a weighted average period of 4.54 years.

In fiscal 2006, a one-time, non-cash benefit of approximately \$0.3 million for estimated future forfeitures of stock options previously expensed was recorded as of the SFAS No. 123R implementation date and reported as a cumulative effect of accounting changes, net of tax. Pursuant to APB No. 25, stock compensation expense was not reduced for estimated future forfeitures, but instead was reversed upon actual forfeiture.

Restricted Stock Awards

The Company grants awards of restricted stock to executive officers, directors and certain management employees. These awards vest over periods ranging from one to four years. In fiscal 2007, based on updated forfeiture information, the Company divided the restricted stock awards into three separate groups. Each group of restricted stock awards has its own estimated forfeiture rate which is based on historical information and management's future expectations. Compensation expense associated with these awards is recognized ratably over the vesting period.

During fiscal 2007, the Company revised its estimated forfeiture rate. As a result, stock-based compensation expense increased from approximately \$2.6 million in 2006 to approximately \$12.0 million in 2007. Compensation expense for 2005 was approximately \$9.5 million.

No restricted stock awards were granted during the year ended September 29, 2007. There were 103,698 and 260,061 restricted stock awards granted during the years ended September 30, 2006 and October 1, 2005, respectively. The weighted-average grant date fair value of the restricted stock awards granted during the years ended September 30, 2006 and October 1, 2005 was \$3.90 and \$5.79, respectively. At September 29, 2007, unrecognized compensation expense related to restricted stock awards was approximately \$693,000, which is expected to be recognized in fiscal 2008.

A one-time, non-cash benefit of approximately \$5.4 million for estimated future forfeitures of restricted stock awards previously expensed was recorded as of the SFAS No. 123R implementation date and reported as a cumulative effect of accounting changes, net of tax. Pursuant to APB No. 25, stock compensation expense was not reduced for estimated future forfeitures, but instead was reversed upon actual forfeiture.

A summary of activities related to the Company's nonvested restricted shares for the years ended September 29, 2007, September 30, 2006 and October 1, 2005 is as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value (\$)
Nonvested at October 2, 2004	3,837,231	11.64
Granted	260,061	5.79
Vested	—	—
Forfeited	(252,000)	11.26
Nonvested at October 1, 2005	3,845,292	11.27
Granted	103,698	3.90
Vested	—	—
Forfeited	(910,500)	10.65
Nonvested at September 30, 2006	3,038,490	10.43
Granted	—	—
Vested	(136,929)	6.17
Forfeited	(215,000)	11.67
Nonvested at September 29, 2007	2,686,561	10.54

Restricted Stock Units

During fiscal 2006, the Company began issuing restricted stock units to executive officers, directors and certain management employees. These awards vest over periods ranging from one to four years. The units are automatically exchanged for shares at the vesting date. Compensation expense associated with these awards is recognized ratably over the vesting period.

Compensation expense for the years ended September 29, 2007 and September 30, 2006 was \$4.5 million and \$489,000, respectively.

There were 5,281,459 restricted stock units granted during the year ended September 29, 2007 and 1,612,250 restricted stock units granted during the year ended September 30, 2006. The weighted-average grant date fair value of the restricted stock awards granted during the years ended September 29, 2007 and September 30, 2006 was \$3.46 and \$4.79, respectively. At September 29, 2007, unrecognized expense related to restricted stock units was approximately \$16.1 million. These expenses are expected to be recognized over a weighted average period of 1.84 years. The number of shares granted, but unreleased, was approximately 6.1 million as of September 29, 2007.

A summary of the Company's nonvested restricted share units for the year ended September 29, 2007 is as follows:

	Number of Shares	Weighted- Grant Date Fair Value (\$)	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic (\$)
Non vested restricted stock units at October 1, 2005	—	—	—	—
Granted	1,612,250	4.79		
Vested	—	—		
Cancelled	(85,750)	4.72		
Non vested restricted stock units at September 30, 2006	1,526,500	4.79	3.54	5,709,110
Granted	5,281,459	3.46		
Vested	(81,669)	3.91		
Cancelled	(671,000)	4.18		
Non vested restricted stock units at September 29, 2007	6,055,290	3.71	1.84	12,837,215
Non vested restricted stock units expected to vest at September 29, 2007	4,892,573	3.71	1.84	10,372,255

Performance Restricted Share Plan

In fiscal 2006, the Company's Compensation Committee approved the issuance of approximately 2.5 million performance restricted units at a weighted-average grant date fair value of \$4.02 per unit to selected executives and other key employees. The units are automatically exchanged for vested shares when certain performance targets are met.

The Company did not recognize compensation expense for the performance restricted shares for the years ended September 29, 2007 and September 30, 2006 since the Company did not meet the prescribed performance levels. This resulted in the forfeiture of approximately 750,000 performance restricted units in fiscal 2007 and approximately 597,375 performance restricted units in fiscal 2006. As of September 29, 2007, total unrecognized compensation expense to be recognized over the remaining one year vesting term would be approximately \$4.4 million, assuming performance targets are achieved.

Employee Stock Purchase Plan

In fiscal 2003, the Board of Directors and stockholders of the Company approved the 2003 Employee Stock Purchase Plan (the "2003 ESPP"). Under the 2003 ESPP, employees may purchase, on a periodic basis, a limited number of shares of common stock through payroll deductions over a six-month period. The per share purchase price is 85% of the fair market value of the stock at the beginning or end of the offering period, whichever is lower. As of September 29, 2007, approximately 133,231 shares are available for issuance under the 2003 ESPP.

The Company treated the Employee Stock Purchase Plan as a compensatory plan and recorded compensation expense of approximately \$4.2 million for the year ended September 30, 2006 in accordance with SFAS No. 123R. The Employee Stock Purchase Plan was suspended at the beginning of 2007. The Company plans to re-activate the ESPP in the future. The Company did not record compensation expense for the ESPP during the fiscal 2007.

Assumptions used to estimate the fair value of stock purchase rights for the years ended September 30, 2006 and October 1, 2005 are as follows:

	Year Ended	
	September 30, 2006	October 1, 2005
Volatility	51.0%	59.0%
Risk-free interest rate	4.75%	3.78%
Dividend yield	0%	0%
Expected life	0.75 years	0.75 years

Pro Forma Information under SFAS No. 123 for Periods Prior to Fiscal 2006

If compensation expense for the Company's various equity compensation plans had been determined based upon estimated fair values at the grant dates in accordance with SFAS No. 123, the Company's pro forma net loss and basic and diluted net loss per common share for stock options granted prior to the adoption of SFAS No. 123R would have been as follows:

	Year Ended October 1, 2005
	(in thousands, except per share data)
Net loss:	
As reported	\$ (1,033,946)
Stock-based employee compensation expense included in reported net loss, net of tax	54,810
Stock-based employee compensation expense determined under fair value method, net of tax	(134,214)
Pro forma net loss	\$ (1,113,350)
Basic net loss per share:	
As reported	\$ (1.99)
Pro forma	\$ (2.14)
Diluted net loss per share:	
As reported	\$ (1.99)
Pro forma	\$ (2.14)

The Company used the accelerated method of FIN No. 28, "Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans", to recognize compensation expense for the year ended October 1, 2005.

On May 2, 2005 and September 30, 2005, respectively, our Board of Directors approved the acceleration of vesting of "underwater" unvested stock options held by approximately 4,500 and 4,400 employees, executive officers and non-employee directors, respectively. This approval was based on the recommendation of the Compensation Committee of the Board of Directors. A stock option was considered "underwater" on May 2, 2005 and September 30, 2005 if the option exercise price was greater than \$7.00 for grant dates prior to November 2, 2004 and \$5.00 per share for grant dates prior to April 1, 2005, respectively. The closing stock price at the dates the accelerations were approved by the Company's Board of Directors were \$4.00 and \$4.29, respectively. The total number of options accelerated was approximately 22 million. The Compensation Committee, which consists entirely of independent directors, as well as the independent directors on the full Board of Directors, unanimously approved the acceleration of vesting of underwater stock options including those underwater stock options held by the Chief Executive Officer and the other executive officers of the Company. These actions were taken in accordance with the applicable provisions of all of the Company's stock option plans.

The decision to accelerate vesting of these underwater stock options was made primarily to minimize compensation expense to be recognized in future financial statements upon the adoption of SFAS No. 123R (revised 2004), "Share-Based Payment", because the Company believes underwater stock options may not be offering the affected employees sufficient incentive compared to the potential future compensation expense that would have been attributable to these stock options. As the exercise price of all the stock options affected was greater than their fair market price on the date of vesting acceleration, there was no impact under APB 25 on our Consolidated Statements of Operations, except for the recognition of \$21.8 million of stock-based compensation previously determined in accordance with APB No. 25. The amount of compensation expense that would have been recognized based on the Company's implementation of SFAS 123R was approximately \$26.4 million, \$13.5 million, and \$6.3 million for fiscal 2006, 2007, and 2008, respectively. As the options were accelerated to vest immediately, an additional stock-based compensation expense of approximately \$78.5 million, which represented the unamortized cost of accelerated unvested options, was recognized in the pro forma statements of operations for the year ended October 1, 2005.

Note 10. Debt

Long-term debt consists of the following:

	As of	
	September 29, 2007	September 30, 2006
	(In thousands)	
\$300 Million Senior Floating Rate Notes due 2010	\$ 300,000	\$ —
\$300 Million Senior Floating Rate Notes due 2014	300,000	—
8.125% Senior Subordinated Notes due 2016	600,000	600,000
6.75% Senior Subordinated Notes due 2013	400,000	400,000
3% Convertible Subordinated Notes due 2007	—	524,210
Revolving Credit Agreement	—	100,000
Interest Rate Swaps	(11,928)	(17,098)
Total	1,588,072	1,607,112
Less: current portion	—	(100,000)
Total long-term debt	\$ 1,588,072	\$ 1,507,112

Senior Floating Rate Notes. On June 12, 2007, the Company issued \$300 million aggregate principal amount of Senior Floating Rate Notes due 2010 (the "2010 Notes") and \$300 million aggregate principal amount of Senior Floating Rate Notes due 2014 (the "2014 Notes"). The Notes accrue interest at a rate per annum, reset quarterly, equal to the three-month LIBOR plus 2.75%, which is payable in cash quarterly in arrears on March 15, June 15, September 15 and December 15, beginning on September 15, 2007. The 2010 Notes will mature on June 15, 2010 and the 2014 Notes will mature on June 15, 2014. The Company incurred debt issuance costs of \$12.0 million which are included in other non-current assets and are being amortized using the effective interest method over the life of the debt as interest expense.

The Notes are senior unsecured obligations of the Company and rank equal in right of payment with all of the Company's existing and future senior unsecured debt. The Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by substantially all of the Company's domestic guarantor subsidiaries. The Company may redeem the 2010 Notes, in whole or in part, at any time, at par plus accrued and unpaid interest up to, but excluding, the redemption date. At any time prior to June 15, 2008, the Company may redeem up to 35% of the 2014 Notes with the proceeds of certain equity offerings at a redemption price equal to 100% of the principal amount of the 2014 Notes, plus a premium equal to the then-current interest rate, plus accrued and unpaid interest up to, but excluding, the redemption date. The Company may redeem the 2014 Notes, in whole or in part, beginning on June 15, 2008, at redemption prices ranging from 100% to 102% of the principal amount of the 2014 Notes, plus accrued and unpaid interest up to, but excluding, the redemption date, with the actual redemption price to be determined based on the date of redemption. Following a change of control, as defined in the indentures, the Company will be required to make an offer to repurchase all or any portion of the Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest up to, but excluding, the date of repurchase.

The indentures for the Notes include certain customary covenants that limit the ability of the Company and its guarantor subsidiaries to, among other things:

- incur additional debt, make investments and other restricted payments, pay dividends on capital stock, or redeem or repurchase capital stock or subordinated obligations;
- create specified liens;
- sell assets;
- create or permit restrictions on the ability of the Company's restricted subsidiaries to pay dividends or make other distributions to the Company;
- engage in transactions with affiliates; and
- consolidate or merge with or into other companies or sell all or substantially all of the Company's assets.

The restrictive covenants are subject to a number of important exceptions and qualifications set forth in the indentures. The indentures provide for customary events of default, including payment defaults, breaches of covenants, certain payment defaults at final maturity or acceleration of other indebtedness, failure to pay certain judgments, certain events of bankruptcy, insolvency and reorganization involving the Company or certain of its subsidiaries and certain instances in which a guarantee ceases to be in full force and effect. If any event of default occurs and is continuing, subject to certain exceptions, the trustee or the Holders (as defined in the indentures) of at least 25% in aggregate principal amount of the then outstanding 2010 Notes or 2014 Notes, as applicable, may declare all the 2010 Notes or 2014 Notes, respectively, to be due and payable immediately, together with any accrued and unpaid interest, if any, to the acceleration date. In the case of an event of default resulting from certain events of bankruptcy, insolvency or reorganization involving the Company or certain of its subsidiaries, such amounts with respect to the 2010 Notes or 2014 Notes, as applicable, will be due and payable immediately without any declaration or other act on the part of the trustee or the holders of the 2010 Notes or 2014 Notes, respectively.

The Company entered into interest rate swaps to hedge its long-term interest rate exposures resulting from certain of its outstanding debt obligations. On June 12, 2007, the Company entered into interest rate swap transactions with independent third parties related to the 2014 Notes pursuant to which it paid the third parties a fixed rate and received a floating rate from the third parties. The interest rate swaps had a total notional amount of \$300.0 million and were designated as cash flow hedges. Under the swap agreements, the Company paid a fixed rate of 5.594% in exchange for a three month LIBOR rate on the swaps. These swap agreements effectively fix the interest rate on the Company's 2014 Notes at 8.344% through 2014.

8.125% Senior Subordinated Notes. On February 15, 2006, the Company issued \$600 million aggregate principal amount of 8.125% Senior Subordinated Notes due 2016 (the "8.125% Notes"). Interest is payable on the 8.125% Notes on March 1 and September 1 of each year, beginning on September 1, 2006. The maturity date of the 8.125% Notes is March 1, 2016. Debt issuance costs are included in other non-current assets and amortized using the effective-interest method over the life of the debt as interest expense. As of September 29, 2007, \$16.2 million of unamortized cost is included in other non-current assets. The 8.125% Notes are unsecured and subordinated in right of payment to all

of the Company's existing and future senior debt, as defined in the indenture under which the 8.125% Notes were issued.

The Company may redeem the 8.125% Notes, in whole or in part, at any time prior to March 1, 2011, at a redemption price that is equal to the sum of (1) the principal amount of the 8.125% Notes to be redeemed, (2) accrued and unpaid interest on those 8.125% Notes to, but excluding, the redemption date and (3) a make-whole premium calculated in the manner specified in the indenture for the 8.125% Notes. The Company may redeem the 8.125% Notes, in whole or in part, beginning on March 1, 2011, at declining redemption prices ranging from 104.063% to 100% of the principal amount of the 8.125% Notes, plus accrued and unpaid interest to, but excluding, the redemption date, with the actual redemption price to be determined based on the date of redemption. At any time prior to March 1, 2009, the Company may redeem up to 35% of the 8.125% Notes with the proceeds of certain equity offerings at a redemption price equal to 108.125% of the principal amount of the 8.125% Notes, plus accrued and unpaid interest to, but excluding, the redemption date, so long as after giving effect to any such redemption, at least 65% of the aggregate principal amount of the 8.125% Notes remains outstanding.

Following a change of control, as defined in the indenture, the Company will be required to make an offer to repurchase all or any portion of the 8.125% Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest to, but excluding, the date of repurchase.

The indenture for the 8.125% Notes includes covenants that limit the ability of the Company and its restricted subsidiaries to, among other things: incur additional debt, make investments and other restricted payments, pay dividends on capital stock, or redeem or repurchase capital stock or subordinated obligations; create specified liens; sell assets; create or permit restrictions on the ability of the Company's restricted subsidiaries to pay dividends or make other distributions to the Company; engage in transactions with affiliates; incur layered debt; and consolidate or merge with or into other companies or sell all or substantially all of the Company's assets. The restrictive covenants are subject to a number of important exceptions and qualifications set forth in the indenture for the 8.125% Notes.

The 8.125% Notes indenture provides for customary events of default, including:

- payment defaults;
- breaches of covenants;
- certain payment defaults at final maturity or acceleration of certain other indebtedness;
- failure to pay certain judgments;
- certain events of bankruptcy, insolvency and reorganization; and
- certain instances in which a guarantee ceases to be in full force and effect.

If any event of default occurs and is continuing, subject to certain exceptions, the trustee or the holders of at least 25% in aggregate principal amount of the then outstanding 8.125% Notes may declare all the 8.125% Notes to be due and payable immediately, together with any accrued and unpaid interest, if any, to the acceleration date. In the case of an event of default resulting from certain events of bankruptcy, insolvency or reorganization, such amounts with respect to the 8.125% Notes will be due and payable immediately without any declaration or other act on the part of the trustee or the holders of the 8.125% Notes.

On January 3, 2007, the Company and U.S. Bank National Association, as trustee, entered into a supplemental indenture to the indenture under which the Company's 8.125% Senior Subordinated Notes due 2016 were issued. As permitted by the indenture, the supplemental indenture released each of the notes guarantors from its respective obligations under its notes guarantee and the indenture.

6.75% Senior Subordinated Notes. On February 24, 2005, the Company issued \$400 million aggregate principal amount of its 6.75% Senior Subordinated Notes due 2013 (the "6.75% Notes"). Interest is payable on the 6.75% Notes on March 1 and September 1 of each year, beginning on September 1, 2005. The maturity date of the 6.75% Notes is March 1, 2013. In June 2005, the Company completed an exchange offer pursuant to which substantially all of the 6.75% Notes were exchanged for notes registered under the Securities Act of 1933. These notes evidence the same debt as the original 6.75% Notes and are issued and entitled to the benefits of the same indenture that governs the original the 6.75% Notes except that they are not subject to transfer restrictions. The Company also entered into interest rate swap agreements with four independent swap counterparties to hedge our interest rate exposures related to the 6.75% Notes. The swap agreements, with an aggregate notional amount of \$400 million and expire in 2013, effectively convert the fixed interest rate obligation to a variable rate obligation and are accounted for as fair value hedges under SFAS No. 133 but are exempt from periodic assessment of hedge effectiveness under Paragraph 68 of SFAS No. 133. Under the terms of the swap agreements, the Company pays the independent swap counterparties an interest rate equal to the six-month LIBOR rate plus a spread ranging from 2.214% to 2.250%. In exchange, the Company receives a fixed rate of 6.75%.

The 6.75% Notes are unsecured and subordinated in right of payment to all of the Company's existing and future senior debt as defined in the 6.75% Notes indenture. The Company may redeem the 6.75% Notes, in whole or in part, at any time prior to March 1, 2009, at a redemption price that is equal to the sum of (1) the principal amount of the 6.75% Notes to be redeemed, (2) accrued and unpaid interest to, but excluding, the redemption date on those 6.75% Notes and (3) a make-whole premium calculated in the manner specified in the 6.75% Notes indenture. The Company may redeem the 6.75% Notes, in whole or in part, beginning on March 1, 2009, at declining redemption prices ranging from 103.375% to 100% of the principal amount, plus accrued and unpaid interest to, but excluding, the redemption date, with the actual redemption price to be determined based on the date of redemption. At any time prior to March 1, 2008, the Company may redeem up to 35% of the 6.75% Notes with the proceeds of certain equity offerings at a redemption price equal to 106.75% of the principal amount of the 6.75% Notes, plus accrued and unpaid interest to, but excluding, the redemption date, so long as after giving effect to any such redemption, at least 65% of the aggregate principal amount of the 6.75% Notes remains outstanding.

Following a change of control, as defined in the 6.75% Notes indenture, the Company will be required to make an offer to repurchase all or any portion of the 6.75% Notes at a purchase price of 101% of the principal amount, plus accrued and unpaid interest to, but excluding, the date of repurchase.

The indenture for the 6.75% Notes includes covenants that limit the Company's ability and the ability of its restricted subsidiaries to, among other things: incur additional debt, make investments and other restricted payments, pay dividends on capital stock, or redeem or repurchase capital stock or subordinated obligations; create specified liens; sell assets; create or permit restrictions on the ability of its restricted subsidiaries to pay dividends or make other distributions to us; engage in transactions with

affiliates; incur layered debt; and consolidate or merge with or into other companies or sell all or substantially all of its assets. The restricted covenants are subject to a number of important exceptions and qualifications set forth in the 6.75% Notes indenture.

The indenture for the 6.75% Notes provides for customary events of default, including payment defaults, breaches of covenants, certain payment defaults at final maturity or acceleration of certain other indebtedness, failure to pay certain judgments, certain events of bankruptcy, insolvency and reorganization and certain instances in which a guarantee ceases to be in full force and effect. If any event of default occurs and is continuing, subject to certain exceptions, the trustee or the holders of at least 25% in aggregate principal amount of the then outstanding 6.75% Notes may declare all the 6.75% Notes to be due and payable immediately, together with any accrued and unpaid interest, if any, to the acceleration date. In the case of an event of default resulting from certain events of bankruptcy, insolvency or reorganization, such amounts with respect to the 6.75% Notes will be due and payable immediately without any declaration or other act on the part of the trustee or the holders of the 6.75% Notes.

On January 3, 2007, the Company and U.S. Bank National Association, as trustee, entered into a supplemental indenture to the indenture under which the Company's 6.75% Notes were issued. As permitted by the indenture, the supplemental indenture released each of the note's guarantors from its respective obligations under its notes guarantee and the indenture.

3% Convertible Subordinated Notes due 2007. In March 2000, SCI issued \$575.0 million aggregate principal amount of 3% Convertible Subordinated Notes due March 15, 2007, or 3% Notes. On October 13, 2006, SCI Systems, Inc., one of the Company's wholly-owned subsidiaries ("SCI Systems"), initiated, in accordance with the terms thereof, the satisfaction and discharge of the indenture, dated as of March 15, 2000, by and between SCI Systems and the Bank of New York Trust Company, National Association, as trustee, pursuant to which SCI Systems issued its 3% Notes due 2007. As a result, \$532.9 million in cash was deposited with the trustee which represented a portion of the proceeds obtained from the Senior Unsecured Term Loan entered into on October 13, 2006 and was equal to the principal and interest due on the 3% Notes at maturity on March 15, 2007. Restricted cash of \$532.9 million was released by the trustee to pay the bondholders upon maturity of the 3% Notes on March 15, 2007. Accordingly, as of September 29, 2007, the 3% Notes were fully satisfied and discharged.

Senior Unsecured Term Loan. On October 13, 2006, the Company entered into a Credit and Guaranty Agreement (the "Term Loan Agreement") providing for a \$600.0 million senior unsecured term loan which matures on January 31, 2008. The Company drew down the \$600.0 million term loan simultaneously with the closing of the transaction.

On June 12, 2007, the Company used the net proceeds of \$588 million from the sale of the Senior Floating Rate Notes discussed above, together with cash on hand, to repay in full the principal amount and accrued interest on its existing Senior Unsecured Term Loan. The Company recorded a loss on extinguishment of debt of approximately \$3.2 million relating to unamortized debt issuance costs. As of September 29, 2007, no obligation remains and the Term Loan Agreement was fully paid and terminated.

Senior Credit Facility. On October 26, 2004, the Company entered into a Credit and Guaranty Agreement (the "Original Credit Agreement") providing for a \$500 million senior secured revolving

credit facility with a \$150 million letter of credit sub-limit. The senior secured revolving credit facility provided for a maturity date of October 26, 2007. The Company entered into an Amended and Restated Credit and Guaranty Agreement, dated as of December 16, 2005, among the Company, certain of its subsidiaries, as guarantors, and the lenders that are parties thereto from time to time (the "Restated Credit Agreement"). The Restated Credit Agreement amended and restated the Original Credit Agreement among other things, to:

- extend the maturity date from October 26, 2007 to December 16, 2008;
- amend the leverage ratio;
- permit the Company and the guarantors to sell domestic receivables pursuant to factoring or similar arrangements if certain conditions are met; and
- revise the collateral release provisions.

All of the Company's existing and future domestic subsidiaries guaranty the obligations under the Restated Credit Agreement, subject to some limited exceptions. The Company's obligations and the obligations of its subsidiaries under the credit facility are secured by: substantially all of the assets of its United States subsidiaries located in the United States; a pledge of all capital stock of substantially all of its United States subsidiaries; a pledge of 65% of the capital stock of certain of its and its United States subsidiaries' first-tier foreign subsidiaries; and mortgages on certain domestic real estate.

The Restated Credit Agreement requires the Company to comply with a fixed charge coverage ratio and a ratio of total debt to earnings before income tax, depreciation and amortization ("EBITDA"). Additionally, the credit facility contains numerous affirmative covenants, including covenants regarding the payment of taxes and other obligations, maintenance of insurance, reporting requirements and compliance with applicable laws and regulations. Further, the credit facility contains negative covenants limiting the ability of the Company and its subsidiaries, among other things, to incur debt, grant liens, make acquisitions, make certain restricted payments, sell assets and enter into sale and lease back transactions. The events of default under the credit facility include payment defaults, cross defaults with certain other indebtedness, breaches of covenants and bankruptcy events.

If at any time the aggregate face amount of receivables sold by the Company and the guarantors, together with any outstanding amounts, exceeds the thresholds set forth in the Restated Credit Agreement, the revolving credit commitments for purposes of making loans and issuing letters of credit will be zero.

On October 13, 2006, the Company and the required lenders entered into an amendment for its Restated Credit Agreement to permit the Company to enter into the Senior Unsecured Term Loan described above. The amendment also revised the collateral release provision under the Restated Credit Agreement such that collateral (other than stock pledges and other collateral the Company requests not to be released) will be released at such time as specified conditions are met, including that the Company has repaid in full the outstanding amount under the Senior Unsecured Term Loan and its credit ratings meet specified thresholds. If following the release of any portion of the collateral pursuant to the provisions of the credit agreement described above, the Company's credit ratings fall below specified thresholds, then the Company is required to take such actions as are necessary to grant and perfect a security interest in the assets and properties that would at that time comprise the collateral if the relevant collateral documents were still in effect.

On December 29, 2006, the Company entered into an amendment and waiver to the Restated Credit Agreement. Among other things, this amendment amended the minimum required levels for both financial covenants and certain related definitions. Fees paid in connection with the amendment and waiver were immaterial and are being amortized over the remaining term of the agreement.

On June 5, 2007, the Company entered into an amendment to its Amended and Restated Credit and Guaranty Agreement dated as of December 16, 2005, to permit the Company to incur the indebtedness resulting from the issuance of the Senior Floating Rate Notes discussed above. In addition, the Amendment amended the required levels for the fixed charge coverage ratio and leverage ratio. Fees paid in connection with the amendment were immaterial and are being amortized over the remaining term of the agreement.

As of September 29, 2007, there was no balance outstanding under the \$500 million Restated Credit Agreement. Additionally, the Company pays a commitment fee of 0.35% per annum on the unused portion of the credit facility.

The Company is in compliance with its covenants for the above debt instruments as of September 29, 2007.

Maturities of long-term debt as of September 29, 2007 are as follows:

Fiscal Year Ending	(In thousands)
2008	\$ —
2009	—
2010	300,000
2011	—
2012	—
Thereafter	1,288,072
Total	\$ 1,588,072

Note 11. Sales of Accounts Receivable

Certain of the Company's subsidiaries have entered into agreements that permit them to sell specified accounts receivable. The purchase price for receivables sold under these agreements ranges from 95% to 100% of the face amount less a discount charge (based on LIBOR plus a percentage ranging from 0.4% to 1.5%) for the period from the date the receivable is sold to its collection date. Accounts receivable sales under these agreements were \$1.8 billion during fiscal 2007. These agreements do not violate any restrictions under our debt covenants. The sold receivables are subject to certain limited recourse provisions. In accordance with SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liability" as amended by SFAS No. 156, "Accounting for Servicing of Financial Assets an Amendment of FASB Statement No. 140," accounts receivable sold are removed from the Company's Consolidated Balance Sheets and reflected as cash provided by operating activities in the Consolidated Statements of Cash Flows. As of September 29, 2007, \$294.7 million of sold accounts receivable remain subject to certain recourse provisions. The Company has not experienced any credit losses under these recourse provisions. Discount charges recorded during fiscal 2007, 2006 and 2005 were \$8.4 million, \$5.5 million and \$0.4 million, respectively.

Discount charges are recorded in selling, general and administrative expenses on the Company's Consolidated Statements of Operations.

As part of the sale of accounts receivables, the Company had a retained ownership interest (i.e., 100% of the receivable face amount sold less the purchase price) of \$9.6 million and \$10.4 million at September 29, 2007 and September 30, 2006, respectively. The retained interest was included in prepaid and other current assets.

Note 12. Accrued Liabilities

Accrued liabilities consisted of the following:

	As of	
	September 29, 2007	September 30, 2006
	(In thousands)	
Income taxes payable and deferred tax liabilities	\$ 47,886	\$ 55,262
Restructuring accrual	16,931	37,285
Other taxes payable	29,687	576
Warranty reserve	23,094	16,442
Other	86,343	113,833
Total accrued liabilities	\$ 203,941	\$ 223,398

Warranty Reserve. The following tables summarize the warranty reserve balance:

Balance as of September 30, 2006	Additions to Accrual	Accrual Utilized	Balance as of September 29, 2007
(In thousands)			
\$ 16,442	\$ 26,323	\$ (19,671)	\$ 23,094
Balance as of October 1, 2005	Additions to Accrual	Accrual Utilized	Balance as of September 30, 2006
(In thousands)			
\$ 20,867	\$ 10,479	\$ (14,904)	\$ 16,442

Note 13. Commitments and Contingencies

Operating Leases. We lease certain of our facilities and various equipment under non-cancelable operating leases expiring at various dates through 2035. Sanmina-SCI is responsible for utilities,

maintenance, insurance and property taxes under the leases. Future minimum lease payments, net of sublease income, under operating leases are as follows:

Fiscal Year Ending	(In thousands)
2008	\$ 27,971
2009	13,688
2010	10,412
2011	6,360
2012	4,270
Thereafter	16,821
Total	\$ 79,522

Rent expense, net of sublease income, under operating leases was approximately \$37.1 million, \$30.8 million and \$42.3 million for the years ended September 29, 2007, September 30, 2006 and October 1, 2005, respectively.

Environmental Matters. Primarily as a result of certain of our acquisitions, Sanmina-SCI has exposures associated with environmental contamination at certain facilities. These exposures include ongoing investigation and remediation activities at a number of sites.

We use an environmental consultant to assist in evaluating the environmental costs of the companies that we acquire as well as those associated with our ongoing operations, site contamination issues and historical disposal activities, in order to establish appropriate accruals in the Company's Consolidated Financial Statements. As of September 29, 2007 and September 30, 2006, respectively, the Company has accrued \$17.6 million and \$16.9 million for such environmental liabilities, which is recorded in other long-term liabilities in the Consolidated Balance Sheets. During fiscal 2006, the Company accrued \$5.3 million of asset retirement obligations in connection with the adoption of FIN No. 47, "Accounting for Conditional Asset Retirement Obligations an Interpretation of FASB Statement No. 143", of which \$2.9 million was recorded as a cumulative effect of accounting changes, net of tax.

Litigation and other contingencies. The Company is involved in a shareholder derivative action, and has received a subpoena from the U.S. Attorney's office and a formal order of investigation from the Securities and Exchange Commission ("SEC") in connection with certain historical stock option grants. The Company cannot predict what effect these matters may have. Refer to "Item 3—Legal Proceedings".

From time to time, we are a party to litigation and other contingencies, including examinations by taxing authorities, which arise in the ordinary course of business. The Company records a contingent liability when it is probable that a loss has been incurred and the amount is reasonably estimable in accordance with SFAS No. 5, "Accounting for Contingencies". We believe that the resolution of such litigation and other contingencies will not materially harm our business, financial condition or results of operations.

Note 14. Employee Benefit Plans

The Company has various defined contribution retirement plans that cover the majority of its employees. These retirement plans permit participants to elect to have contributions made to the retirement plans in the form of reductions in salary. Under the Sanmina-SCI retirement plans, the Company matches a portion of employee contributions. Amounts contributed by the Company were approximately \$10.2 million, \$10.5 million, and \$10.3 million during the fiscal years ended September 29, 2007, September 30, 2006, and October 1, 2005, respectively.

The Company sponsors a deferred compensation plan for non-employee members of its board of directors. The plan allows eligible Sanmina-SCI outside directors to defer payment of all or part of the compensation payable to them for serving as Directors of Sanmina-SCI. Deferrals under this plan for the years ended September 29, 2007, September 30, 2006 and October 1, 2005, were \$261,000, \$83,000 and \$45,000, respectively.

On January 1, 2003, the Company adopted a deferred compensation plan for eligible employees. The plan allows eligible employees to defer payment of part of their compensation. Deferrals under this plan for the years ended September 29, 2007, September 30, 2006 and October 1, 2005, were \$1.6 million, \$2.1 million and \$2.2 million, respectively. These amounts are reflected in other long-term liabilities in the Consolidated Balance Sheets.

Effective fiscal 2007, the Company adopted SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132R", which requires that the funded status of defined benefit postretirement plans be recognized on the Company's Consolidated Balance Sheets, and changes in the funded status be reflected in the Company's Statements of Comprehensive Loss. SFAS No. 158 also requires the measurement date of the plan's funded status to be the same as the Company's fiscal year end. This standard eliminates the requirement for Additional Minimum Liability (AML) under SFAS No. 87. The adoption of SFAS No. 158 as of September 29, 2007, did not have a material impact to the Company's financial statements.

SCI Systems had defined benefit pension plans covering substantially all employees in the United States and Brockville, Ontario, Canada. These plans generally provide pension benefits that are based on compensation levels and years of service. Annual contributions to the plans are made according to the established laws and regulations of the applicable countries, and were funded annually at amounts that approximate the maximum deductible for income taxes. As a result of the merger between Sanmina Corporation and SCI Systems in December 2001, these plans were frozen. Sanmina Corporation did not have a defined benefit retirement plan; therefore, the merger resulted in a plan curtailment as described in SFAS No. 88. Defined benefits were calculated and frozen as of December 31, 2001. Employees who had not yet vested will continue to be credited with service until vesting occurs, but no additional benefits will accrue.

In fiscal 2003, the Company terminated the Brockville, Canada Plan and the participants received benefits by either: (i) receiving distributions in fiscal 2004 and 2005 if they elected to receive cash, or (ii) having annuities purchased through an insurance company for participants who elected not to receive a cash distribution. In fiscal 2005, the Company settled with the Canadian government regarding the final amount due to plan participants. The final settlement was not material to the Consolidated Statement of Operations.

The Company also provides defined benefit pension plans in certain other countries. The assumptions used for calculating the obligation for non-U.S. plans depend on the local economic environment.

As of the end of fiscal 2007, fiscal 2006, and fiscal 2005, the changes in benefit obligations for the plans described above were as follows (in thousands):

Change in Benefit Obligations	Fiscal 2007		Fiscal 2006		Fiscal 2005	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Beginning benefit obligation	\$ 36,277	\$ 26,491	\$ 42,402	\$ 26,615	\$ 44,115	\$ 19,181
Service cost	—	868	—	942	—	613
Interest cost	2,067	1,467	2,063	1,227	2,394	1,009
Actuarial (gain) / loss	1,955	(4,070)	(1,990)	(3,109)	4,326	5,776
Benefits paid	(6,713)	(831)	(6,198)	(410)	(8,433)	(64)
Others*	—	3,190	—	1,226	—	100
Ending benefit obligation	\$ 33,586	\$ 27,115	\$ 36,277	\$ 26,491	\$ 42,402	\$ 26,615

* Primarily related to fluctuations in exchange rates between foreign currencies and the U.S. dollar

Weighted-average actuarial assumptions used to determine benefit obligations for the plan were as follows:

	U.S. Pensions		Non-U.S. Pensions	
	As of		As of	
	September 29, 2007	September 30, 2006	September 29, 2007	September 30, 2006
Discount rate	6.0%	6.0%	5.3%	5.0%
Rate of compensation increases	—	—	1.9%	2.2%

The Company evaluates these assumptions on a regular basis taking into consideration current market conditions and historical market data. The discount rate is used to state expected future cash flows at present value on the measurement date. This rate represents the market rate for high-quality fixed income investments. A lower discount rate would increase the present value of the benefit obligation. Other assumptions include demographic factors such as retirement, mortality, and turnover.

As of the end of fiscal 2007, fiscal 2006, and fiscal 2005, the changes in plan assets and funded status for the plans described above were as follows (in thousands):

Change in Plan Assets	Fiscal 2007		Fiscal 2006		Fiscal 2005	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Beginning fair value of plan assets	\$ 26,820	\$ —	\$ 22,825	\$ —	\$ 28,032	\$ —
Actual return on plan asset	2,265	—	1,656	—	1,913	—
Employer contributions	5,070	831	8,537	410	1,313	64
Benefits paid	(6,713)	(831)	(6,198)	(410)	(8,433)	(64)
Ending fair value of plan assets	\$ 27,442	\$ —	\$ 26,820	\$ —	\$ 22,825	\$ —
Under Funded Status at Year End	\$ 6,144	\$ 27,115	\$ 9,457	\$ 26,491	\$ 19,577	\$ 26,615

Our weighted-average asset allocations by asset category for the U.S. plan were as follows:

	As of		
	Target	September 29, 2007	September 30, 2006
Equity securities	50%	54%	53%
Debt securities	50%	46%	47%
Total	100%	100%	100%

During fiscal 2007, the investment allocation consisted primarily of investments in equity instruments and bonds. In general, the investment strategy followed for all plans is designed to assure that the pension assets are available to pay benefits as they come due and minimize market risk. During fiscal 2007, the investment allocation consisted primarily of investments in the State Street Passive Bond Market Index and in the S&P 500 Index for the U.S. plan. The non-U.S. plans are managed consistent with regulations or market practice of the country where the assets are invested.

The funded status of the plans, reconciled to the amount reported on the Consolidated Balance Sheets, is as follows (in thousands):

	As of September 29, 2007		As of September 30, 2006		As of October 1, 2005	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Under Funded Status at Year End	\$ 6,144	\$ 27,115	\$ 9,457	\$ 26,491	\$ 19,577	\$ 26,615
Unrecognized transition asset / (obligation)	—	(275)	—	(259)	—	—
Unrecognized net actuarial gain / (loss)	(7,474)	2,258	(7,794)	(778)	(11,513)	(4,695)
Net amount recognized in Consolidated Balance Sheet	\$ (1,330)	\$ 29,098	\$ 1,663	\$ 25,454	\$ 8,064	\$ 21,920
Components of Net Amount Recognized in Consolidated Balance Sheet						
Accrued benefit liability (current)	\$ —	\$ 656	\$ —	\$ —	\$ —	\$ —
Liability for benefits (non-current)	6,144	26,459	9,457	26,491	19,577	26,615
Accumulated other comprehensive income	(7,474)	1,983	(7,794)	(1,037)	(11,513)	(4,695)
Net (asset) / liability recognized in Consolidated Balance Sheet	\$ (1,330)	\$ 29,098	\$ 1,663	\$ 25,454	\$ 8,064	\$ 21,920

The estimated amortization from accumulated other comprehensive income into net periodic benefit cost in fiscal 2008 is as follows (in thousands):

	Fiscal 2008	
	U.S.	Non-U.S.
Amortization of actuarial (gain) / loss	\$ 496	\$ (84)
Amortization of transition obligation	—	36
Total	\$ 496	\$ (48)

The accumulated benefit obligation for all defined benefit pension plans was \$59.4 million and \$61.4 million at September 29, 2007 and September 30, 2006, respectively.

The following table provides information for pension plans with an accumulated benefit obligation in excess of plan assets (in thousands):

	As of September 29, 2007		As of September 30, 2006	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Projected benefit obligation	\$ 33,586	\$ 27,115	\$ 36,277	\$ 26,491
Accumulated benefit obligation	\$ 33,586	\$ 25,850	\$ 36,277	\$ 25,094
Fair value of plan assets	\$ 27,442	\$ —	\$ 26,820	\$ —

Components of net periodic benefit cost for the year ended were as follows (in thousands):

	September 2007		September 2006		September 2005	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ —	\$ 868	\$ —	\$ 942	\$ —	\$ 613
Interest cost	2,067	1,467	2,063	1,227	2,394	1,009
Return on plan asset	(2,029)	—	(1,842)	—	(2,038)	—
Settlement charge	1,391	—	1,198	—	2,122	—
Amortization of:						
— Actuarial (gain)/ loss	647	(4)	717	153	514	1,082
— Transition obligation	—	36	—	34	—	—
Net periodic benefit cost	\$ 2,076	\$ 2,367	\$ 2,136	\$ 2,356	\$ 2,992	\$ 2,704

Weighted-average assumptions used to determine benefit costs were as follows:

	U.S. Pensions		Non-U.S. Pensions	
	As of		As of	
	September 29, 2007	September 30, 2006	September 29, 2007	September 30, 2006
Discount rate	6.0%	5.3%	5.0%	4.3%
Expected return on plan assets	8.5%	8.5%	—%	—%
Rate of compensation increases	—%	—%	2.2%	2.0%

The long-term rate of return on assets for the U.S. pension plans used in these calculations is assumed to be 8.5%. Several factors, including historical rates of returns, expectations of future returns and projected rates of return from investment managers are considered in developing the asset return assumptions for all plans.

Estimated future benefit payments are as follows:

	Pension Benefits September 29, 2007
	(In thousands)
2008	\$ 8,576
2009	\$ 3,910
2010	\$ 3,866
2011	\$ 3,717
2012	\$ 3,651
Years 2013 through 2017	\$ 19,326

Note 15. Acquisitions

Fiscal 2007

During fiscal 2007, Sanmina-SCI completed an acquisition that was not significant to the Company's consolidated results of operations and financial position. The aggregate cash purchase price for the acquisition was \$4.2 million, net of cash acquired. The purchase price allocation for the above acquisition was based on management's estimate of the fair value of each of the tangible and intangible assets and liabilities acquired at the date of acquisition.

Pro forma results of operations have not been presented for the fiscal 2007 acquisition because the effect was not material. There was no goodwill recognized related to the acquisition.

Fiscal 2006

During fiscal 2006, Sanmina-SCI completed certain acquisitions that were not individually significant to the Company's consolidated results of operations and financial position. The aggregate cash purchase price for the acquisitions was \$44.7 million, net of cash acquired. The purchase price allocations for the above acquisitions were based on management's estimate of the fair value of each of the tangible and intangible assets and liabilities acquired at the dates of acquisition.

Pro forma results of operations have not been presented for the fiscal 2006 acquisitions because the effect of these acquisitions was not material either on an individual or aggregate basis. Goodwill recognized in these transactions was approximately \$3.4 million. Goodwill is not deductible for tax purposes and was assigned to the Electronics Manufacturing Services reporting unit. A one-time charge of \$2.6 million for in-process research and development was recognized in fiscal 2006.

Fiscal 2005

On October 26, 2004, Sanmina-SCI completed the acquisition of 100% of the voting equity interest in Pentex-Schweizer Circuits Limited, or Pentex, a printed circuit board fabrication provider with operations in China and Singapore. The acquisition of Pentex provides Sanmina-SCI with manufacturing facilities to support its customers' requirements in this region and with the opportunity to leverage its vertical integration strategy. The total purchase price was approximately \$77 million, paid in cash. The Company has finalized the allocation of the purchase price to the assets acquired, including goodwill and the liabilities assumed based on management's estimate of the fair value for purchase accounting purposes at the date of acquisition. The results of Pentex were included in the Company's Consolidated Statements of Operations from the date of acquisition.

Pro forma results of operations have not been presented for the fiscal 2005 acquisitions because the effect of this acquisition was not material. Goodwill recognized in the above transaction was approximately \$33 million and is not deductible for tax purposes. Goodwill was assigned to the Electronics Manufacturing Services reporting unit.

Note 16. Restructuring Costs

Costs associated with restructuring activities, other than those activities related to purchase business combinations, are accounted for in accordance with SFAS No. 146 and SFAS No. 112 when applicable. Pursuant to SFAS No. 112, restructuring costs related to employee severance are recorded when probable and estimable in accordance with the Company's policy. For all other restructuring

costs, a liability is recognized in accordance with SFAS No. 146 only when incurred. Costs associated with restructuring activities related to purchase business combinations are accounted for in accordance with EITF 95-3. Accrued restructuring costs are included in accrued liabilities in the Consolidated Balance Sheets.

In November 2006, the Company announced three new restructuring initiatives:

- The realignment of its original design manufacturing activities to focus on joint development;
- The separation of its personal and business computing business and the evaluation of strategic alternatives to enhance its value; and
- Other consolidation and facility closure actions.

Below is a summary of restructuring activities initiated in fiscal 2007 as a result of facility closure actions and other consolidation efforts:

	Employee Termination / Severance and Related Benefits	Leases and Facilities Shutdown and Consolidation Costs	Impairment of Fixed Assets or Redundant Fixed Assets	
	Cash	Cash	Non-Cash	Total
	(In thousands)			
Balance at September 30, 2006	\$ —	\$ —	\$ —	\$ —
Charges to operations	32,045	6,624	3,253	41,922
Charges utilized	(27,995)	(6,033)	(3,253)	(37,281)
Reversal of accrual	(129)	—	—	(129)
Balance at September 29, 2007	\$ 3,921	591	—	\$ 4,512

During fiscal 2007, the Company closed or consolidated eight facilities and terminated approximately 2,400 employees. Also, during fiscal 2007 the Company recorded restructuring charges related to actions announced in prior years for employee termination benefits for approximately 5,500 employees. As of September 29, 2007, the Company's estimate of anticipated lease costs associated with facilities which were closed in connection with the Company's restructuring activities that were announced in fiscal 2007 was approximately \$0.6 million. The Company expects to pay remaining facilities related restructuring liabilities through 2010.

Below is a summary of restructuring activities announced in prior fiscal years:

	Employee Termination / Severance and Related Benefits	Leases and Facilities Shutdown and Consolidation Costs	Impairment of Fixed Assets or Redundant Fixed Assets	
	Cash	Cash	Non-Cash	Total
	(In thousands)			
Balance at October 2, 2004	\$ 18,807	\$ 18,732	\$ —	\$ 37,539
Charges to operations	86,736	22,996	11,039	120,771
Charges utilized	(68,606)	(27,262)	(11,039)	(106,907)
Reversal of accrual	(2,508)	—	—	(2,508)
Balance at October 1, 2005	34,429	14,466	—	48,895
Charges to operations	97,226	16,964	24,029	138,219
Charges utilized	(97,323)	(21,166)	(24,029)	(142,518)
Reversal of accrual	(5,528)	(460)	—	(5,988)
Balance at September 30, 2006	28,804	9,804	—	38,608
Charges (recovery) to operations	3,455	9,434	(7,263)	5,626
Charges, recovery (utilized)	(21,659)	(10,962)	7,263	(25,358)
Reversal of accrual	(2,376)	(441)	—	(2,817)
Balance at September 29, 2007	\$ 8,224	\$ 7,835	\$ —	\$ 16,059

In fiscal 2006, the Company initiated the closure or consolidation of three facilities and recorded restructuring charges related to employee termination benefits for approximately 15,042 employees. During fiscal 2005, the Company initiated the closure or consolidation of seven facilities and recorded restructuring charges related to employee termination benefits for approximately 11,800 employees.

As of September 29, 2007, the Company's estimate of anticipated lease costs associated with facilities which were closed in connection with the Company's restructuring activities that were announced in prior fiscal years was approximately \$7.8 million. The Company expects to pay remaining facilities related restructuring liabilities through 2010.

Total restructuring costs accrued as of September 29, 2007 were \$20.6 million, of which \$17.0 million was included in accrued liabilities and \$3.6 million was included in other long-term liabilities on the Consolidated Balance Sheet.

Reportable Segments. The following table summarizes net restructuring costs incurred with respect to the Company's reportable segments:

	Fiscal Year Ended			Total
	September 29, 2007	September 30, 2006	October 1, 2005	
	(In thousands)			
Personal Computing	\$ 2,995	\$ 46,999	\$ 41,674	\$ 91,668
Electronic Manufacturing Services	41,607	85,231	74,571	201,409
Total	\$ 44,602	\$ 132,230	\$ 116,245	\$ 293,077
Cash	\$ 48,779	\$ 108,201	\$ 107,423	\$ 264,403
Non-cash	(4,177)	24,029	8,822	28,674
Total	\$ 44,602	\$ 132,230	\$ 116,245	\$ 293,077

Cumulative restructuring costs per segment have not been disclosed as it is impractical to do so due to the realignment of our reporting units. The recognition of restructuring charges requires the Company to make judgments and estimates regarding the nature, timing, and amount of costs associated with the planned exit activities, including estimating sublease income and the fair values, less selling costs, of property, plant and equipment to be disposed of. The Company's estimates of future liabilities may change, requiring us to record additional restructuring charges or reduce the amount of liabilities already recorded.

Note 17. Stockholders' Equity

Sanmina-SCI Stock Option Plans

Stock Option Plans. The 1990 Incentive Stock Plan (the "Plan") provides for the grant of incentive stock options, non-statutory stock options, and stock purchase rights to employees and other qualified individuals to purchase shares of Sanmina-SCI's common stock at amounts not less than 100% of the fair market value of the shares on the date of the grant. The Plan has been terminated and the Company is no longer granting options under this plan.

On January 29, 1999, stockholders approved the adoption of Sanmina-SCI's 1999 Stock Plan (the "1999 Plan"). The 1999 Plan provides for the grant of incentive stock options, non-statutory stock options, and stock purchase rights to employees and other qualified individuals to purchase shares of Sanmina-SCI's common stock generally at amounts not less than 100% of the fair market value of the shares on the date of the grant.

The 1995 Director Option Plan (the "Director Plan") provides for the automatic grant of stock options to outside directors of Sanmina-SCI or any subsidiary of Sanmina-SCI at amounts not less than 100% of the fair market value of the shares on the date of grant. The Director Plan has been terminated and the Company is no longer granting options under this plan.

The 1996 Supplemental Stock Option Plan (the "Supplemental Plan") permits only the grant of non-statutory stock options and provides that options must have an exercise price at least equal to the fair market value of Sanmina-SCI's common stock on the date of the grant. Options under the

Supplemental Plan may be granted to employees and consultants, but not to executive officers and directors.

The Sanmina-SCI Corporation Stock Option Plan 2000 (the "2000 Plan") provides for the grant of non-statutory stock options to employees of our subsidiaries in Sweden and Finland. The exercise price of options granted under the 2000 Plan can be less than fair market value per share, but shall not be less than the market value of a share on the day before the date on which invitations to apply for options were issued.

The French Addendum to the 1999 Stock Plan (the "French Addendum") provides for the grant of non-statutory options to employees of the subsidiaries of Sanmina-SCI in France. For French tax purposes, the French Addendum is a qualifying plan which will avoid social security charges to the employee provided the shares acquired are not sold within four years of the date on which the option is granted and the option price of the newly issued shares cannot be lower than 95% of the average stock exchange price during the 20 days preceding the grant. Options issued pursuant to this plan are issued at 100% of the market price on the date of grant.

Options vest as determined by the Compensation Committee of the Board of Directors and in no event may an option have a term exceeding ten years from the date of the grant. Stock option activity under Sanmina-SCI's option plans during fiscal years 2007, 2006 and 2005 is disclosed in Note 9 of the Notes to Consolidated Financial Statements—Stock-Based Compensation.

The following table summarizes information regarding stock options outstanding under the Sanmina-SCI option plans at September 29, 2007:

Range of Weighted Exercise Prices	Options Outstanding			Option Vested and Exercisable	
	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
\$1.63 — \$2.12	568,020	8.78	\$ 2.07	134,770	\$ 2.08
\$2.13 — \$3.52	18,144,833	9.65	\$ 3.26	177,169	\$ 3.32
\$3.53 — \$3.72	4,750,708	9.45	\$ 3.72	483,569	\$ 3.72
\$3.73 — \$4.07	4,598,668	6.53	\$ 4.03	3,143,368	\$ 4.04
\$4.08 — \$7.43	4,480,232	5.81	\$ 6.11	4,008,427	\$ 6.32
\$7.44 — \$10.27	4,307,686	3.76	\$ 8.81	4,307,236	\$ 8.81
\$10.28 — \$18.99	5,113,486	4.29	\$ 13.20	5,113,486	\$ 13.20
\$19.00 — \$45.94	989,071	3.39	\$ 29.55	989,071	\$ 29.55
\$45.95 — \$48.26	81,000	3.01	\$ 48.26	81,000	\$ 48.26
\$1.63 — \$48.26	43,033,704	7.50	\$ 6.10	18,438,096	\$ 9.72

The number of exercisable options and the weighted average exercise price as of September 30, 2006 and October 1, 2005 were 43,818,552 shares at \$9.16 per share and 53,811,115 shares at \$9.19 per share, respectively.

Sanmina-SCI Employee Stock Purchase Plan. In fiscal 2003, the Board of Directors and stockholders of the Company approved the 2003 Employee Stock Purchase Plan (the "2003 ESPP").

The total number of shares of common stock available to be issued under the 2003 ESPP is 9,000,000 shares. Under the 2003 ESPP, employees may purchase, on a periodic basis, a limited number of shares of common stock through payroll deductions over a six-month period. The per share purchase price is 85% of the fair market value of the stock at the beginning or end of the offering period, whichever is lower. As of September 29, 2007, 8,866,769 shares had been issued under the 2003 ESPP.

Restricted Stock Awards. The Company grants awards of restricted stock to executive officers, directors and certain management employees. These awards vest over periods ranging from one to four years.

Restricted Stock Units. In fiscal 2006, the Company began issuing restricted stock units to executive officers, directors and certain management employees. These awards vest over periods ranging from one to four years. The units are automatically exchanged for shares at the vesting date.

Performance Restricted Stock Unit Plan. In fiscal 2006, the Company's Compensation Committee approved the issuance of approximately 2.5 million performance restricted units at a weighted-average grant date fair value of \$4.02 per unit to selected executives and other key employees. The units are automatically exchanged for vested shares when certain performance targets are met.

Authorized Shares. As of September 29, 2007, the Company has reserved the following shares of authorized but unissued common stock:

Stock option plans, including restricted stock units and awards	62,399,231
Employee stock purchase plan	133,231
	<hr/>
	62,532,462
	<hr/>

A total of 12,108,112 shares of common stock were available for grant under our stock option plans as of September 29, 2007.

Note 18. Income Taxes

The domestic and foreign components of income (loss) before income taxes and cumulative effect of accounting changes are as follows:

	Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
	<hr/>	<hr/>	<hr/>
	(In thousands)		
Domestic	\$ (1,216,487)	\$ (244,773)	\$ (786,999)
Foreign	95,584	94,620	147,174
	<hr/>	<hr/>	<hr/>
	\$ (1,120,903)	\$ (150,153)	\$ (639,825)
	<hr/>	<hr/>	<hr/>

The provision for (benefit from) income taxes consists of the following:

	Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
	(In thousands)		
Federal			
Current	\$ (3,131)	\$ (30,922)	\$ (6,898)
Deferred	—	—	272,716
	(3,131)	(30,922)	265,818
State			
Current	(5,029)	—	(6,005)
Deferred	—	—	37,098
	(5,029)	—	31,093
Foreign			
Current	25,547	17,207	21,710
Deferred	(3,633)	7,949	75,500
	21,914	25,156	97,210
Total provision for (benefit from) income taxes	\$ 13,754	\$ (5,766)	\$ 394,121

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities are as follows:

	As of	
	September 29, 2007	September 30, 2006
	(In thousands)	
Deferred tax assets:		
Reserves and accruals not currently deductible	\$ 113,314	\$ 117,377
U.S. net operating loss carryforwards	371,529	298,595
Foreign net operating loss carryforwards	217,793	195,523
Acquisition related intangibles	136,210	104,536
Depreciation differences and property, plant and equipment impairment reserves	51,716	23,144
Tax credit carryforwards	8,662	11,524
Unrealized losses on derivative financial instruments	4,491	1,789
Stock compensation expense	6,962	28,163
Other	7,380	7,618
Valuation allowance	(837,487)	(713,050)
Total deferred tax assets	\$ 80,570	\$ 75,219
Deferred tax liabilities:		
Foreign earnings	\$ (66,499)	\$ (64,326)
Total deferred tax liabilities	\$ (66,499)	\$ (64,326)
Net deferred tax assets	\$ 14,071	\$ 10,893
Recorded as:		
Current deferred tax assets	\$ 17,464	\$ 23,257
Current deferred tax liabilities	(2,347)	(5,668)
Non-current deferred tax assets	6,655	3,331
Non-current deferred tax liabilities	(7,701)	(10,027)
Net deferred tax assets	\$ 14,071	\$ 10,893

The net non-current deferred tax liability for all periods presented is included in other long-term liabilities on the Consolidated Balance Sheet.

During fiscal 2005, the Company recorded a valuation allowance against its deferred tax assets which primarily relate to U.S. operations. The Company recorded this valuation allowance after considering forecasts of income and other positive and negative evidence surrounding the realizability of its deferred tax assets in the U.S. and certain other jurisdictions, including the Company's continuous migration of certain operating activities from high-cost to low-cost regions. Although the Company has established a valuation allowance against the carrying value of certain deferred tax assets, the underlying net operating loss carry forwards would still be available to the Company to offset future taxable income in the U.S., subject to applicable tax laws and regulations. Because of continuing losses during fiscal 2007 and 2006 in the U.S. and certain other countries, management has determined that a valuation allowance of \$837.5 million and \$713.1 million is required with respect to deferred tax assets

as of September 29, 2007 and September 30, 2006, respectively. Although realization is not assured, the Company believes that it is more likely than not that the remaining deferred tax assets will be realized. The amount of net deferred tax assets, however, could be reduced or increased in the future if actual facts, including estimates of future taxable income, differ from those estimates. The Company's valuation allowance increased \$124.4 million and \$99.1 million during the years ended September 29, 2007 and September 30, 2006, respectively.

The Company has no present intention of remitting undistributed earnings of foreign subsidiaries aggregating approximately \$687.5 million as of September 29, 2007, and, accordingly, no deferred tax liability has been established relative to these earnings. Determination of the amount of unrecognized deferred tax liability on these undistributed earnings is not practicable.

The Company has cumulative net operating loss carryforwards for federal, state and foreign tax purposes of approximately \$946 million, \$862 million and \$754 million, respectively, as of September 29, 2007. The net operating loss carryforwards began expiring in 2007. The Tax Reform Act of 1986 and similar state provisions impose restrictions on the utilization of net operating loss and tax credit carryforwards in the event of an "ownership change" as defined in the Internal Revenue Code. The Company has determined that the utilization of the net operating losses that were recorded as part of the acquisition of Newisys Inc. will be subject to an annual limitation. As of September 29, 2007, the Company had approximately \$20.7 million of federal net operating losses recorded from the acquisition and may utilize approximately \$1.7 million of these net operating losses each year.

The Company has been granted tax holidays for certain of its subsidiaries in Singapore, Malaysia, China and India. The tax benefit arising from these tax holidays was approximately \$6.4 million (\$0.01 per diluted share) for fiscal 2007, \$8.9 million (\$0.02 per diluted share) for fiscal 2006, and \$7.4 million (\$0.01 per diluted share) for fiscal 2005. The tax holiday in Singapore is scheduled to expire on September 30, 2007, excluding potential renewal. The tax holidays in the other countries expire through 2009, excluding potential renewals, and are subject to certain conditions with which the Company expects to comply.

Following is a reconciliation of the statutory federal tax rate to the effective tax rate resulting from the computation of the provision for (benefit from) income taxes:

	As of		
	September 29, 2007	September 30, 2006	October 1, 2005
Federal tax at statutory rate	(35.00)%	(35.00)%	(35.00)%
Non-deductible goodwill impairment	29.38	0.88	22.40
Change in valuation allowance	7.41	25.07	87.32
Deemed dividends	0.62	21.51	9.34
Audit settlement and related closing of statutes of limitation	—	(23.73)	—
State income taxes, net of federal benefit	(0.45)	(2.46)	(5.63)
Foreign loss at other than U.S. rates	(1.32)	(1.49)	(10.66)
Permanent items	0.36	9.58	—
Other	0.23	1.78	(6.17)
Provision for (benefit from) income taxes	1.23%	(3.84)%	61.60%

The Company has established contingency reserves for income taxes in various jurisdictions. The amount of such reserves represents the Company's best estimate of probable loss. The Company periodically reassesses the amount of such reserves and adjusts reserve balances as necessary. During fiscal 2006, the Company received notification by the Congressional Joint Committee on Taxation of approval of its settlement with the U.S. Internal Revenue Service. The total adjustment to previously accrued income taxes as a result of the settlement and related closing of statutes of limitations was \$105.6 million, of which \$39.0 million was recorded as an income tax benefit to earnings and \$66.6 million was recorded as a reduction of goodwill for pre-merger tax items associated with SCI Systems, a subsidiary of the Company. The impact on the Company's effective tax rate during fiscal 2006 was a benefit of 23.73%.

Certain controlled foreign corporations ("CFCs") of the U.S. group had significant intercompany payable and receivable balances with various U.S. legal entities that were unsettled during fiscal 2006 and at the end of fiscal 2005. There were no material unsettled intercompany payable and receivable balances in 2007. Under U.S. tax rules, the gross intercompany payable balance of a U.S. legal entity owed to a foreign CFC constitutes an investment in U.S. property under Section 956 ("Section 956 property"), which is treated as a deemed dividend to the U.S. from the CFC and is taxable in the U.S. to the extent of the higher of the CFC's earnings or its Section 956 property. The inclusion of the deemed dividends in our U.S. taxable income increased our effective tax rate by 0.62%, 21.51% and 9.34% for the fiscal years ending 2007, 2006 and 2005, respectively.

Note 19. Business Segment, Geographic and Customer Information

SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information", establishes standards for reporting information about operating segments, products and services, geographic areas of operations and major customers. Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker or decision making group in deciding how to allocate resources and in assessing performance. The Company realigned its reporting structure in the third quarter of fiscal 2007 based on organizational changes within the Company and the different types of manufacturing services offered to its customers. As a result, the Company identified three operating segments: Electronic Manufacturing Services, Technology Components and Personal Computing. Under the aggregation provisions of SFAS No. 131, the Company has aggregated the Technology Components operating segment with the Electronic Manufacturing Services operating segment based on similar quantitative factors such as expected gross margins and similar type of manufacturing services performed. The Company continues to have two reportable segments—Electronic Manufacturing Services and Personal Computing.

The following table presents information about reportable segments:

	Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
	(In thousands)		
Net sales			
Electronic Manufacturing Services	\$ 7,205,063	\$ 7,714,737	\$ 7,721,043
Personal Computing	3,179,191	3,240,684	4,013,631
Total Sales	\$ 10,384,254	\$ 10,955,421	\$ 11,734,674
Gross Profit			
Electronic Manufacturing Services	\$ 495,047	\$ 568,312	\$ 564,883
Personal Computing	58,166	53,424	65,299
Total Gross Profit	\$ 553,213	\$ 621,736	\$ 630,182
Depreciation and amortization:			
Electronic Manufacturing Services	\$ 109,231	\$ 124,917	\$ 154,704
Personal Computing	7,963	13,680	23,620
Total	\$ 117,194	\$ 138,597	\$ 178,324
Capital expenditures:			
Electronic Manufacturing Services	\$ 87,663	\$ 137,815	\$ 61,543
Personal Computing	695	1,380	13,006
Total	\$ 88,358	\$ 139,195	\$ 74,549

For the years ended September 29, 2007, September 30, 2006, and October 1, 2005, there were no inter-segment sales between Electronic Manufacturing Services and Personal Computing.

	As of	
	September 29, 2007	September 30, 2006
Long-lived assets (excludes goodwill, intangibles and deferred tax assets):		
Electronic Manufacturing Services	\$ 605,999	\$ 627,633
Personal Computing	40,159	51,531
Total	\$ 646,158	\$ 679,164

The following summarizes financial information by geographic segment:

	Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
	(In thousands)		
Net sales			
Domestic	\$ 2,497,481	\$ 2,722,704	\$ 2,787,710
International	7,886,773	8,232,717	8,946,964
Total	\$ 10,384,254	\$ 10,955,421	\$ 11,734,674
Operating income (loss)			
Domestic	\$ (1,113,465)	\$ (47,647)	\$ (647,110)
International	111,528	100,964	157,350
Total	\$ (1,001,937)	\$ 53,317	\$ (489,760)
Depreciation and amortization:			
Domestic	\$ 42,096	\$ 49,015	\$ 71,176
International	75,098	89,582	107,148
Total	\$ 117,194	\$ 138,597	\$ 178,324
Capital expenditures:			
Domestic	\$ 27,968	\$ 31,410	\$ 23,958
International	60,390	107,785	50,591
Total	\$ 88,358	\$ 139,195	\$ 74,549
As of			
	September 29, 2007	September 30, 2006	
(In thousands)			
Long-lived assets (excludes goodwill, intangibles and deferred tax assets):			
Domestic	\$ 219,180	\$ 250,740	
International	426,978	428,424	
Total	\$ 646,158	\$ 679,164	

Revenues are attributable to the country in which the product is manufactured. For fiscal years 2007, 2006 and 2005, net sales attributable to three foreign countries, Mexico, Hungary and China, are material. Revenue generated from Mexican operations was approximately \$2.6 billion for fiscal 2007, \$2.8 billion for fiscal 2006 and \$2.9 billion for fiscal 2005. Revenue generated from Hungarian operations was approximately \$1.9 billion for fiscal 2007, \$1.7 billion for fiscal 2006 and \$1.8 billion for fiscal 2005. Revenue generated from Chinese operations was approximately \$0.9 billion for fiscal 2007, \$0.8 billion for fiscal 2006 and \$0.5 billion for fiscal 2005. Long-lived assets related to the Company's operations in Mexico represented 20.3% and 19.6% of consolidated long-lived assets as of September 29, 2007 and September 30, 2006, respectively. Long-lived assets related to the Company's operations in China represented 12.3% and 11.0% of consolidated long-lived assets as of September 29, 2007 and September 30, 2006, respectively. No other foreign country's assets represented more than 10% of consolidated long-lived assets as of September 29, 2007 or September 30, 2006.

A small number of customers generate a significant portion of the Company's net sales. During fiscal 2007, 2006 and 2005, sales to the Company's ten largest customers represented 61.5%, 60.8% and 63.9%, respectively, of consolidated net sales. In fiscal 2007, sales to the Company's three largest customers represented 11.6%, 11.2% and 11.1%, respectively, of net sales. In fiscal 2006, sales to the Company's three largest customers represented 12.8%, 10.5% and 10.0%, respectively, of net sales. In fiscal 2005, sales to the Company's largest customer represented 23.2% of net sales. No other customer in fiscal 2005 had sales greater than 10% of net sales.

Note 20. Other Income (Expense), Net

Other income (expense), net was \$23.7 million in fiscal 2007, \$(16.5) million in fiscal 2006, and \$(22.2) million in fiscal 2005. The following table summarizes the major components of other income (expense), net (in millions):

	Fiscal Year Ended		
	September 29, 2007	September 30, 2006	October 1, 2005
Foreign exchange gains/(losses)	\$ 2.0	\$ (3.9)	\$ (6.2)
Interest rate swap losses	—	(9.0)	(17.1)
Gain (loss) from fixed asset disposals and sale of business	19.0	0.6	(0.1)
Gain (loss) from investments	2.1	(2.8)	—
Other, net	0.6	(1.4)	1.2
Total other income (expense), net	\$ 23.7	\$ (16.5)	\$ (22.2)

The increase of other income (expense), net, from \$(16.5) million in fiscal 2006 to \$23.7 million in fiscal 2007 is primarily attributable to the recognition in fiscal 2007 of \$16.5 million in gains from the sale of previously restructured manufacturing facilities and equipment and a \$2.5 million gain from the sale of one of the Company's manufacturing operations. The aggregate sale price for the manufacturing operation sold was \$22.0 million. In the second quarter of 2006, the Company terminated its interest rate swap upon redemption of the 10.375% Notes, and there was no similar interest rate swap loss during fiscal 2007.

The reduction of other expense, net, from \$22.2 million in fiscal 2005 to \$16.5 million in fiscal 2006 was mainly attributable to the change in the market value and additional interest expense on the interest rate swap on the 10.375% Notes as well as increased effectiveness of hedging of our foreign currency exposures, offset by write-off of \$2.8 million related to an other-than-temporary impairment of one of our long-term investments in fiscal 2006.

Note 21. Cumulative Effect of Accounting Changes

Upon adoption of SFAS No. 123R in the first quarter of fiscal 2006, we recognized a benefit on recovery of stock compensation expense of \$4.8 million. With respect to the stock option restatement, the Company recorded an incremental benefit of \$0.9 million related to the stock compensation adjustment. The total cumulative effect of accounting changes for estimated forfeitures for previously

issued restricted stock and stock options in regards to the adoption of SFAS No. 123R was a benefit of \$5.7 million during fiscal 2006.

Additionally during fiscal 2006, the Company adopted FIN No. 47 for our asset retirement obligations of which a charge of \$2.9 million was recorded as a cumulative effect adjustment in the fourth quarter of fiscal 2006.

The combined effect of the above adjustments was a net benefit of \$2.8 million to our Consolidated Statement of Operations for fiscal 2006.

Note 22. Subsequent Event

On November 16, 2007, the Company announced that it plans to redeem \$120.0 million in aggregate principal amount of its 2010 Notes on December 18, 2007. The aggregate principal amount of the 2010 Notes currently outstanding is \$300.0 million. Upon redemption, holders of the 2010 Notes being redeemed will receive the principal amount of the 2010 Notes being redeemed, plus accrued and unpaid interest up to, but excluding, the redemption date.

FINANCIAL STATEMENT SCHEDULE

The financial statement Schedule II—VALUATION AND QUALIFYING ACCOUNTS is filed as part of this Form 10-K.

SANMINA-SCI CORPORATION

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Period	Charged (Credited) to Operations	Charges Utilized	Balance at End of Period
			(In thousands)	
Allowance for Doubtful Accounts				
Fiscal year ended October 1, 2005	\$ 35,406	\$ (5,410)	\$ (17,567)	\$ 12,429
Fiscal year ended September 30, 2006	\$ 12,429	\$ (2,543)	\$ (915)	\$ 8,971
Fiscal year ended September 29, 2007	\$ 8,971	\$ 1,709	\$ (6,636)	\$ 4,044

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SANMINA-SCI CORPORATION
(Registrant)

By: /s/ JURE SOLA

Jure Sola
Chairman and Chief Executive Officer

Date: November 28, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ JURE SOLA</u> Jure Sola	Chief Executive Officer and Director (Principal Executive Officer)	November 28, 2007
<u>/s/ JOSEPH BRONSON</u> Joseph Bronson	Chief Operating Officer (Principal Operating Officer)	November 28, 2007
<u>/s/ DAVID L. WHITE</u> David L. White	Chief Financial Officer (Principal Financial Officer)	November 28, 2007
<u>/s/ TODD SCHULL</u> Todd Schull	Senior Vice-President and Corporate Controller (Principal Accounting Officer)	November 28, 2007
<u>/s/ NEIL BONKE</u> Neil Bonke	Director	November 28, 2007
<u>/s/ ALAIN COUDER</u> Alain Couder	Director	November 28, 2007
<u>/s/ JOSEPH LICATA</u> Joseph Licata	Director	November 28, 2007

<u>/s/ MARIO M. ROSATI</u> Mario M. Rosati	Director	November 28, 2007
<u>/s/ A. EUGENE SAPP, JR.</u> A. Eugene Sapp, Jr.	Director	November 28, 2007
<u>/s/ WAYNE SHORTRIDGE</u>	Director	

Wayne Shortridge

November 28, 2007

/s/ PETER J. SIMONE

Director

Peter J. Simone

November 28, 2007

/s/ JACQUELYN M. WARD

Director

Jacquelyn M. Ward

November 28, 2007

EXHIBIT INDEX

Exhibit Number	Description
3.1(1)	Restated Certificate of Incorporation of the Registrant, dated January 31, 1996.
3.1.1(2)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, dated March 9, 2001.
3.1.2(3)	Certificate of Designation of Rights, Preferences and Privileges of Series A Participating Preferred Stock of the Registrant, dated May 31, 2001.
3.1.3(4)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, dated December 7, 2001.
3.2(33)	Amended and Restated Bylaws of the Registrant, dated June 4, 2007.
4.2(6)	Preferred Stock Rights Agreement, dated as of May 17, 2001 between the Registrant and Wells Fargo National Bank, Minnesota, N.A., including the form of Certificate of Determination, the form of Rights Certificate and the Summary of Rights attached thereto as Exhibits A, B, and C.
4.2.3(51)	Supplemental Indenture No. 3, dated as of October 7, 2005, to the Subordinated Indenture, by and among SCI Systems, Inc., Sanmina-SCI USA, Inc. and J.P. Morgan Trust Company, National Association, as trustee.
4.5(8)	Subordinated Indenture dated March 15, 2000, between SCI Systems, Inc. and Bank One Trust Company, National Association, as Trustee ("Subordinated Indenture").
4.5.1(9)	Supplemental Indenture No. 1, dated as of March 15, 2000, to the Subordinated Indenture, between SCI Systems, Inc. and Bank One Trust Company, National Association, as Trustee.
4.5.2(5)	Supplemental Indenture No. 2, dated as of December 7, 2001, to the Subordinated Indenture, by and among SCI Systems, Inc., Sanmina Corporation, as Guarantor, and Bank One Trust Company, National Association, as Trustee.
4.7(25)	Indenture, dated as of December 23, 2002, among the Registrant, the Guarantors Party thereto and State Street Bank and Trust Company California, N.A., as trustee.
4.7.1(45)	First Supplemental Indenture, dated as of July 21, 2003, among Newisys, Inc., the Registrant and U.S. Bank National Association, as trustee.
4.7.2(52)	Second Supplemental Indenture, dated as of September 30, 2005, among Sanmina-SCI USA, Inc., the Registrant and U.S. Bank National Association, as trustee.
4.9(27)	Intercreditor Agreement, dated as of December 23, 2002, by and among, as second lien collateral trustees, LaSalle Business Credit, Inc., as collateral agent, State Street Bank and Trust Company of California, N.A. and each New First Lien Claimholder Representative which May become a party from time to time, and the Registrant.
4.10(28)	Sanmina-SCI Corporation Second Lien Collateral Trust Agreement, dated as of December 23, 2002, by and among the Registrant, the subsidiaries of the Registrant party thereto and State Street Bank and Trust Company of California, N.A., as second lien collateral trustee.

4.12(36)	Credit and Guaranty Agreement, dated as of October 26, 2004, among the Registrant, certain Subsidiaries of the Registrant from time to time party thereto, various Lenders party thereto, Banc of America Securities LLC, as Syndication Agent, Citibank, N.A., as Collateral Agent, and Citicorp USA, Inc., as Administrative Agent.
4.12.1(46)	Amendment No. 1 to Credit and Guaranty Agreement, dated as of February 15, 2005, made by the Registrant, certain Subsidiaries of the Registrant, the lenders party thereto, Citibank, N.A., as Collateral Agent, and Citicorp USA, Inc., as Administrative Agent.
4.12.2(38)	Amendment No. 2 to Credit and Guaranty Agreement, dated as of June 6, 2005, made by the Registrant, certain Subsidiaries of the Registrant, the lenders party thereto, Citibank, N.A., as Collateral Agent, and Citicorp USA, Inc., as Administrative Agent.

- 4.13(37) Indenture, dated as of February 24, 2005, among the Registrant, the guarantors party thereto and U.S. Bank National Association, as trustee.
- 4.13.1(53) First Supplemental Indenture, dated as of September 30, 2005, among Sanmina-SCI USA, Inc., the Registrant and U.S. Bank National Association, as trustee.
- 4.13.2(54) Second Supplemental Indenture, dated as of January 3, 2007, among the Registrant and U.S. Bank National Association, as trustee.
- 4.14(47) Indenture, dated as of February 15, 2006, among the Registrant, certain subsidiaries of the Registrant as guarantors there under and U.S. Bank National Association, as trustee.
- 4.14.1(55) First Supplemental Indenture, dated as of January 3, 2007, among the Registrant and U.S. Bank National Association, as trustee.
- 4.15(50) Amended and Restated Credit and Guaranty Agreement, dated as of December 16, 2005, among the Registrant, the guarantors party thereto, the lenders party thereto, Citibank, N.A., as Collateral Agent, and Bank of America, N.A., as Administrative Agent.
- 4.15.1(56) Amendment No.3 and Waiver to Amended and Restated Credit and Guaranty Agreement, dated as of December 29, 2006, among the Registrant, the guarantors party thereto, the lenders party thereto, Citibank, N.A., as Collateral Agent, and Bank of America, N.A., as Administrative Agent.
- 4.15.2(57) Amendment No. 4 to Amended and Restated Credit and Guaranty Agreement, dated as of June 5, 2007, by and among Registrant, each of the subsidiaries of Registrant party thereto, the lenders party thereto, Citibank, N.A., as collateral agent, and Bank of America, N.A., as Administrative Agent.
- 4.16(58) Indenture, dated as of June 12, 2007, among Registrant, the guarantors party thereto, and Wells Fargo Bank, National Association as trustee, relating to the Senior Floating Rate Notes due 2010.
- 4.17(59) Indenture, dated as of June 12, 2007, among Registrant, the guarantors party thereto, and Wells Fargo Bank, National Association as trustee, relating to the Senior Floating Rate Notes due 2014.
- 10.2(10) Amended 1990 Incentive Stock Plan.
- 10.29(12) 1999 Stock Plan.
- 10.29.1(5) Addendum to the 1999 Stock Plan (Additional Terms and Conditions for Employees of the French subsidiary(ies)), dated February 21, 2001.

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- 10.30(13) 1995 Director Option Plan.
 - 10.31(14) 1996 Supplemental Stock Plan.
 - 10.32(15) Hadco Corporation 1998 Stock Plan, as Amended and Restated March 3, 1999.
 - 10.33(16) Hadco Corporation Non-Qualified Stock Option Plan, as Amended and Restated July 1, 1998.
 - 10.34(17) Hadco Corporation Non-Qualified Stock Option Plan, as Amended and Restated April 7, 1998.
 - 10.35(18) SCI Systems, Inc. 1994 Stock Option Incentive Plan.
 - 10.36(19) SCI Systems, Inc. 2000 Stock Incentive Plan.
 - 10.37(20) SCI Systems, Inc. Board of Directors Deferred Compensation Plan.
 - 10.42(21) Form of Indemnification Agreement executed by the Registrant and its officers and directors pursuant to the Delaware reincorporation.
 - 10.49(5) Deferred Compensation Plan for Outside Directors.

- 10.50(5) Rules of the Sanmina-SCI Corporation Stock Option Plan 2000 (Sweden).
- 10.50.1(5) Rules of the Sanmina-SCI Corporation Stock Option Plan 2000 (Finland).
- 10.51(29) Executive Deferred Compensation Plan.
- 10.53(31) 2003 Employee Stock Purchase Plan.
- 10.55(34) Committed Account Receivable Purchase Agreement, dated April 1, 2005, between Sanmina-SCI UK Limited and Citibank International Plc.
- 10.56(35) Committed Account Receivable Purchase Agreement, dated April 1, 2005, between Sanmina-SCI Magyarorszag Elektronikai Gyarto Kft and Citibank International Plc.
- 10.57(48) Revolving Receivables Purchase Agreement, dated as of September 23, 2005, among Sanmina-SCI Magyarorszag Elektronikai Gyarto Kft, Sanmina-SCI Systems de Mexico S.A. de C.V., as Originators, the Registrant and Sanmina-SCI UK Ltd., as Servicers, the banks and financial institutions party thereto from time to time, and Deutsche Bank AG New York, as Administrative Agent.
- 10.58(49) Randy Furr separation agreement.
- 10.59 Revolving Trade Receivables Purchase Agreement, dated as of September 21, 2007, among Sanmina-SCI Magyarorszag Elektronikai Gyarto Kft and Sanmina-SCI Systems de Mexico, S.A. de C.V., as Originators, the Registrant, Sanmina-SCI UK Ltd., and Sanmina-SCI Israel Medical Ltd., as Servicers, the banks and financial institutions party thereto from time to time, and Deutsche Bank AG New York, as Administrative Agent.
- 10.60 Employment Agreement dated as of August 28, 2007 by and between the Registrant and Joseph Bronson.
- 10.61 Employment Agreement dated as of June 15, 2007 by and between the Registrant and Walter Hussey.
- 10.62 Employment Agreement dated as of March 2, 2007 by and between the Registrant and Michael Tyler.

14.1(32)	Sanmina-SCI Corporation Code of Business Conduct and Ethics.
21.1	Subsidiaries of the Registrant.
23.1	Consent of KPMG LLP, independent registered public accounting firm.
31.1	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).

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- (1) Incorporated by reference to Exhibit 3.2 to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 1996, SEC File No. 000-21272, filed with the Securities and Exchange Commission ("SEC") on December 24, 1996.
 - (2) Incorporated by reference to Exhibit 3.1(a) to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2001, filed with the SEC on May 11, 2001.
 - (3) Incorporated by reference to Exhibit 3.1.3 to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2001, filed with the SEC on December 21, 2001.
 - (4) Incorporated by reference to Exhibit 3.1.2 to the Registrant's Registration Statement on Form S-4 filed with the SEC on August 10, 2001.
 - (5) Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 28, 2002, filed on December 4, 2002.
 - (6) Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form 8-A filed with the SEC on May 25, 2001.
 - (7) Intentionally Omitted.
 - (8) Incorporated by reference to Exhibit 2.2 to SCI Systems, Inc.'s Registration Statement on Form 8-A12B, SEC File No. 001-12821, filed with the SEC on March 9, 2000.
 - (9) Incorporated by reference to Exhibit 4.1 to SCI Systems, Inc.'s Report on Form 8-K, SEC File No. 001-12821, filed with the SEC on April 5, 2000.
 - (10) Incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 10-K, SEC File No. 000-21272, filed with the SEC on December 29, 1994.
 - (11) Incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1, SEC File No. 33-70700, filed with the SEC on February 19, 1993.
 - (12) Incorporated by reference to Exhibit 4.3 to the Registrant's Report on Form S-8, filed with the SEC on May 25, 1999.
 - (13) Incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-8, SEC File No. 333-23565, filed with the SEC on March 19, 1997.
 - (14) Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-8, SEC File No. 333-23565, filed with the SEC on March 19, 1997.

- (15) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8, filed with the SEC on June 23, 2000.
- (16) Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8, filed with the SEC on June 23, 2000.
- (17) Incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-8, filed with the SEC on June 23, 2000.
- (18) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8, filed with the SEC on December 20, 2001.
- (19) Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8, filed with the SEC on December 20, 2001.
- (20) Incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-8, filed with the SEC on December 20, 2001.
- (21) Incorporated by reference to Exhibit 10.42 to the Registrant's Registration Statement on Form S-1, SEC File No. 33-70700, filed with the SEC on February 19, 1993.
- (22) Intentionally Omitted.
- (23) Incorporated by reference to Exhibit 2.1 to the Registrant's Registration Statement on Form S-4 filed with the SEC on August 10, 2001.
- (24) Incorporated by reference to Exhibit 99.1 to the Registrant's Report on Form 8-K, filed with the SEC on April 23, 2002.
- (25) Incorporated by reference to Exhibit 4.7 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2002, filed February 11, 2003.
- (26) Intentionally Omitted.
- (27) Incorporated by reference to Exhibit 4.9 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2002, filed February 11, 2003.
- (28) Incorporated by reference to Exhibit 4.10 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2002, filed February 11, 2003.
- (29) Incorporated by reference to Exhibit 10.51 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2002, filed February 11, 2003.
- (30) Incorporated by reference to Exhibit 10.52 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2002, filed February 11, 2003.
- (31) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8, filed with the SEC on April 23, 2003.
- (32) Incorporated by reference to Exhibit 14.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 27, 2003, filed December 9, 2003.
- (33) Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-Q for the fiscal quarter ended June 30, 2007, filed August 6, 2007.
- (34) Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2005, filed on May 12, 2005.
- (35) Incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2005, filed on May 12, 2005.

- (36) Incorporated by reference to Exhibit 4.12 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 2, 2004, filed December 29, 2004.
- (37) Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on February 24, 2005.
- (38) Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 8, 2005.
- (39) Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 16, 2005.
- (40) Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on February 17, 2006.
- (41) Incorporated by reference to Exhibit 99.2 and 99.3 the Registrant's Current Report on Form 8-K filed on August 22, 2006.
- (42) Incorporated by reference to Exhibit 4.12 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 1, 2006, filed with the SEC on May 11, 2001.
- (43) Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 1, 2006, filed with the SEC on May 11, 2001.
- (44) Incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 1, 2006, filed with the SEC on May 11, 2001.
- (45) Incorporated by reference to Exhibit 4.7.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (46) Incorporated by reference to Exhibit 4.12.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (47) Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on February 15, 2006.
- (48) Incorporated by reference to Exhibit 10.57 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (49) Incorporated by reference to Exhibit 10.58 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (50) Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 22, 2005.
- (51) Incorporated by reference to Exhibit 4.2.3 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (52) Incorporated by reference to Exhibit 4.7.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (53) Incorporated by reference to Exhibit 4.13.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 1, 2005, filed December 29, 2005.
- (54) Incorporated by reference to Exhibit 4.13.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006, filed January 3, 2007.
- (55) Incorporated by reference to Exhibit 4.14.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006, filed January 3, 2007.

- (56) Incorporated by reference to Exhibit 4.15.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006, filed January 3, 2007.
- (57) Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form 8-K filed June 6, 2007.
- (58) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form 8-K filed June 13, 2007.
- (59) Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form 8-K filed June 13, 2007.

\$385,000,000

REVOLVING TRADE RECEIVABLES PURCHASE AGREEMENT

among

SANMINA-SCI MAGYARORSZAG
ELEKTRONIKAI GYARTO KFT
and
SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V.,
as Originators

SANMINA-SCI CORPORATION,
SANMINA-SCI UK LTD.
and
SANMINA-SCI ISRAEL MEDICAL SYSTEMS LTD.
as Servicers,

THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS
OR ENTITIES FROM TIME TO TIME PARTIES HERETO
as Purchasers,

and

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Administrative Agent

Dated as of September 21, 2007

DEUTSCHE BANK AG NEW YORK, as Sole Advisor, Lead Arranger and Book Manager

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Exhibits

Exhibit A	Form of Collateral Assignment Agreement
Exhibit B	Form of Irrevocable Payment Instructions
Exhibit C	Form of Opinion of Mexican Counsel to Sanmina Mexico
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Exhibit E	Form of Opinion of U.S. Counsel to the Servicers and the Originators
Exhibit F	Form of Closing Certificate
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Exhibit L	Form of Receivables Presentation
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Exhibit N	Form of Hungarian Receivables Transfer Agreement
Exhibit O	Form of Mexican Deed of Assignment
Exhibit P	Form of Guarantee

REVOLVING TRADE RECEIVABLES PURCHASE AGREEMENT (this "*Agreement*"), dated as of September 21, 2007, among Sanmina-SCI Magyarország Elektronikai Gyártó Kft, a limited liability company incorporated under the laws of the Republic of Hungary ("*Sanmina Hungary*") and Sanmina-SCI Systems de Mexico S.A. de C.V., a *sociedad anonima de capital variable* organized and existing under the laws of the United Mexican States ("*Sanmina Mexico*"), as originators hereunder (Sanmina Hungary and Sanmina Mexico being, collectively, the "*Originators*"), and Sanmina-SCI Corporation, a Delaware corporation ("*Sanmina-SCI*"), Sanmina-SCI UK Ltd., a company organized and existing with limited liability under the laws of England and Wales ("*Sanmina United Kingdom*") and Sanmina-SCI Israel Medical Systems Ltd. ("*Sanmina Israel*") as servicers hereunder (Sanmina-SCI, Sanmina United Kingdom and Sanmina Israel being, collectively, the "*Servicers*"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "*Purchasers*") and DEUTSCHE BANK AG, NEW YORK BRANCH, as administrative agent (in such capacity, the "*Administrative Agent*").

The parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1. **Defined Terms.** As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1:

"*Account Banks*": Deutsche Bank AG, New York Branch and each other bank hereafter designated by the Servicers upon not less than 45 days' prior written notice to the Administrative Agent, so long as each such bank has executed and delivered a deposit account control agreement and other security agreements that the Administrative Agent requires and is reasonably acceptable to the Administrative Agent.

"*Administrative Agent*": Deutsche Bank AG New York, as the administrative agent for the Purchasers under this Agreement and the other Transaction Documents, together with any of its successors.

"*Affiliate*": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"*Agreement*": as defined in the preamble hereto.

"*Applicable Margin*": 0.30%.

"*Applicable Percentage*": in respect of an Eligible Buyer, the percentage set forth opposite such Eligible Buyer's name in Schedule 1.1C.

"*Assignee*": as defined in Section 9.6(c).

"*Assignment and Acceptance*": an Assignment and Acceptance, substantially in the form of Exhibit G.

"*Assignor*": as defined in Section 9.6(c).

"*Bank of America Credit Agreement*": the Amended and Restated Credit and Guaranty Agreement, dated as of December 16, 2005, among Sanmina-SCI, certain of its subsidiaries as guarantors, various lenders, Bank of America, N.A., as Initial Issuing Bank, Citicorp USA Inc., as Syndication Agent, Citibank, N.A., as Collateral Agent, and Bank of America, N.A., as Administrative Agent, as amended by Amendment No. 1 to Amended and Restated Credit and Guaranty Agreement, dated as of June 30, 2006, Amendment No. 2 and Waiver to Amended and Restated Credit and Guaranty Agreement, dated as of October 13, 2006, Amendment No. 3 and Waiver to Amended and Restated Credit and Guaranty Agreement, dated as of December 29,

2006, and Amendment No. 4 to Amended and Restated Credit and Guaranty Agreement, dated as of June 5, 2007.

" *Benefitted Purchaser* ": as defined in Section 9.7(a).

" *Board* ": the Board of Governors of the Federal Reserve System of the United States (or any successor).

" *Business Day* ": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close; *provided* , that with respect to determinations of interest rates in connection with the Investments, such day is also a day for trading by and between banks in Dollar deposits in London, England.

" *Capital Stock* ": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing, but excluding any debt security convertible into or exchangeable for such interest.

" *Change of Control* ": means, with respect to Sanmina-SCI, at any time: (a) any "person" or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934) (i) shall have acquired beneficial ownership of 35% or more on a fully diluted basis of the voting and/or economic interest in the Capital Stock of Sanmina-SCI; or (ii) shall have obtained the power (whether or not exercised) to elect a majority of the members of the board of directors (or similar governing body) of Sanmina-SCI; (b) during any period of 12 consecutive months, the majority of the seats (other than vacant seats) on the board of directors (or similar governing body) of Sanmina-SCI cease to be occupied by Persons who either (i) were members of the board of directors of Sanmina-SCI on the Closing Date, or (ii) were nominated for election by the board of directors of Sanmina-SCI, a majority of whom were directors on the Closing Date or whose election or nomination for election was previously approved by a majority of such directors or directors elected in accordance with this clause (ii); or (c) any "change of control" or similar event under and as defined in any documentation relating to any Material Indebtedness.

" *Closing Date* ": the date of satisfaction, as notified by the Administrative Agent to the Servicers and the Purchasers, of the conditions precedent set forth in Section 4.1 hereof.

" *Collateral* ": all the collateral pledged or purported to be pledged pursuant to any of the Security Documents.

" *Collateral Account Agreement* ": the Collateral Account Agreement, dated as of the date hereof, among the Originators, the Servicers and the Administrative Agent, substantially in the form of Exhibit I hereto, as amended, supplemented or otherwise modified from time to time.

" *Collateral Assignment Agreement* ": the Collateral Assignment Agreement, dated as of the date hereof, among the Originators and the Administrative Agent, substantially in the form of Exhibit A hereto, as amended, supplemented or otherwise modified from time to time.

" *Collection Accounts* ": each of account nos. 01474515 and 01475294, maintained by Sanmina Hungary, and account nos. 04879286, 01474128 and 01474953, maintained by Sanmina Mexico, respectively, with the Administrative Agent and such other accounts for the receipt of collections under the Collateral Account Agreement maintained with an Account Bank.

" *Collections* ": all collections and other proceeds received and payment of any amounts owed in respect of Scheduled Receivables, including, without limitation, purchase price, finance charges, interest and all other charges, or applied to amounts owed in respect of such Scheduled Receivables (including without limitation, insurance payments and net proceeds of the sale or other disposition of repossessed goods or other collateral or property of the applicable Obligor or

any other Person directly or indirectly liable for the payment of such Scheduled Receivable and available to be applied thereon) and all other proceeds of such Scheduled Receivable.

" *Contingent Eligible Buyers* ": means each of Philips Medical Systems NA, Philips Business Electronics, Nokia Networks OY, Nokia Corporation Networks, General Electric, Ericsson AB, Ericsson Radio Systems AB, Houston Tracker Systems, Inc. and Alcatel Canada Inc..

" *Contingent Originator* ": means each of the wholly-owned Subsidiaries of the Guarantor specified on Schedule 1.1D hereto.

" *Contract* ": means, with respect to any Scheduled Receivable, any and all contracts, understandings, instruments, agreements, leases, invoices, notes or other writings pursuant to which such Scheduled Receivable arises or which evidences such Scheduled Receivable or under which the applicable Obligor becomes or is obligated to make payment in respect of such Scheduled Receivable.

" *Contractual Obligation* ": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

" *Control* ": the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and " *Controlling* " and " *Controlled* " shall have meanings correlative thereto.

" *Defaulted Receivable* ": a Scheduled Receivable that is unpaid and outstanding on the date 30 days after the end of the Yield Period therefor.

" *Dilution* ": any adjustment in the outstanding principal balance of a Scheduled Receivable attributable to any credits, rebates, billing errors, sales or similar taxes, discounts, setoffs, disputes, chargebacks, returns, allowances or similar items.

" *Disposition* ": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms " *Dispose* " and " *Disposed of* " shall have correlative meanings.

" *Distribution Date* ": with respect to any Purchase Date, the date or dates which shall be not later than the last day of the Yield Period for Scheduled Receivables purchased on such Purchase Date, on which the Collections on Scheduled Receivables to be purchased on such date will be distributed to the Purchasers from the applicable Collection Account.

" *Dollars* " and " *\$* ": dollars in lawful currency of the United States.

" *Eligible Buyer* ": IBM de México Comercialización y Servicios S.A. de C.V., Lenovo (Singapore) PTE Ltd., IBM Corporation, IBM Singapore PTE Ltd. and such additional "Eligible Buyers" from among the Contingent Eligible Buyers as may be added from time to time in accordance with Section 5.17. Eligible Buyers currently are either the Tranche A Eligible Buyer, the Tranche B Eligible Buyer, the Tranche C Eligible Buyer or the Tranche D Eligible Buyer.

" *Eligible Receivables* ": on an applicable Purchase Date, any Receivable (i) which has a Scheduled Due Date and which Scheduled Due Date is not later than 60 days thereafter, (ii) which is an "account" as defined in the UCC, (iii) which is denominated and payable in Dollars in the United States or in another currency acceptable to the Administrative Agent, (iv) which, together with the related Contract, is in full force and effect and constitutes the legal, valid and binding obligation of the applicable Obligor enforceable against each such Obligor in accordance with its terms and subject to no counterclaim or other defense on the applicable Purchase Date; (v) which satisfies all applicable requirements of the Servicers' standard customer credit policies, including that the Receivable is not delinquent or defaulted, (vi) which has a

Scheduled Due Date not later than 60 days after the Facility Termination Date, (vii) which was generated in the ordinary course of the applicable Originator's business, and (viii) in respect of which an Irrevocable Payment Instruction has been given, in the case of Sanmina Mexico, pursuant to the Notification.

" *Euros* ": the currency introduced on January 1, 1999 pursuant to the Treaty establishing the European Union.

" *Facility Termination Date* " means the earlier of (i) March 21, 2008, and (ii) the date on which the Administrative Agent delivers to the Servicers a notice of termination as a result of a Termination Event in accordance herewith (or the date on which such termination becomes effective automatically pursuant to Section 7).

" *Fee Letter* ": the fee letter referred to in Section 2.4.

" *Funding Office* ": the first office of the Administrative Agent specified in Section 9.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Servicers and the Purchasers.

" *GAAP* ": generally accepted accounting principles.

" *Goods* ": electronic and other manufactured products produced by Sanmina-SCI or its Subsidiaries.

" *Governmental Authority* ": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

" *Group Members* ": the collective reference to Sanmina-SCI and its consolidated Subsidiaries. " *Group Member* " shall refer to any of such Group Members.

" *Guarantee* ": the guarantee of the Guarantor substantially in the form of Exhibit P hereto.

" *Guarantee Obligation* ": as to any Person (the " *guaranteeing person* "), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the " *primary obligations* ") of any other third Person (the " *primary obligor* ") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; *provided, however*, that the term "Guarantee Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee

Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the relevant Originator in good faith.

" *Guarantor* ": Sanmina-SCI in its capacity as guarantor under the Guarantee.

" *Hedge Agreements* ": all interest rate swaps, caps or collar agreements or similar arrangements dealing with interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies.

" *Hungarian Receivables Transfer Agreement* ": a transfer agreement substantially in the form of Exhibit N hereto.

" *Hungary* ": the Republic of Hungary and any governmental subdivision thereof.

" *Incipient Termination Event* ": any event which, with the giving of notice, the lapse of time, or both, would become a Termination Event.

" *Increase Effective Date* ": as defined in Section 5.17(c).

" *Indebtedness* ": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or Purchaser under such agreement in the event of default are limited to repossession or sale of such property), (e) all capital lease obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all redeemable preferred Capital Stock of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, and (j) for the purposes of Section 7(e) only, all obligations of such Person in respect of Hedge Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including, without limitation, any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of a direct statutory or contractual provision; *provided that* in no event shall the term "Indebtedness" include (x) any indebtedness or other obligations under any overdraft or cash management facility; *provided, further* that such indebtedness or other obligations are incurred in the ordinary course of business, and are repaid in full no later than the Business Day immediately following the date on which they were incurred, or (y) any trade payable incurred in the ordinary course or (z) any operating lease.

" *Indemnified Amounts* " any and all claims, damages, costs, expenses, losses and liabilities (including all reasonable fees and other charges of any law firm or other external counsel).

" *Indemnified Person* ": the Lead Arranger, the Administrative Agent, the Purchasers and their respective Affiliates, together with their respective officers, directors, employees, advisors, agents, successors, transferees and assigns and controlling persons.

" *Indemnified Taxes* ": as defined in Section 2.8(a).

" *Insolvency Proceeding* ": (a) any case, action or proceeding before any court of any Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation,

receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors; and, in the case of clause (a) or (b), undertaken under U.S. Federal, state or foreign law, including the U.S. Federal Bankruptcy Code.

" *Investment* ": the amount to be paid by the Purchasers for the account of the Originators with respect to a Purchased Interest, which will be equal to the Eligible Buyer's Applicable Percentage of the invoice/face amount of the corresponding Eligible Receivable.

" *Irrevocable Payment Instruction* ": each Irrevocable Payment Instruction, substantially in the form of Exhibit B, included by the applicable Originator in the relevant invoice to an Eligible Buyer in respect of Receivables or in such other form as is acceptable to the Administrative Agent, providing for payment of such Receivables to a Collection Account. The Irrevocable Payment Instructions provided by Sanmina Mexico in respect of Scheduled Receivables to be acquired on any Purchase Date shall be given in the form of the Notification before a Mexican notary public, who shall have issued the corresponding *acta* evidencing delivery thereof.

" *Lead Arranger* ": Deutsche Bank AG New York.

" *LIBOR Rate* ": the rate that appears on the Telerate British Bankers Assoc. Interest Settlement Rates Page (the display designated as Page 3750 on the Telerate System Incorporated Service or such other page as may replace such page on such service for the purpose of displaying the rates at which Dollar deposits are offered by leading banks in the London interbank deposit market), as determined by the Administrative Agent, based in each case on the overnight rate at approximately 11:00 a.m. London, England time on such day of determination. If any date of determination hereunder is not a Business Day in London, England, the applicable LIBOR Rate shall be the rate determined for the next preceding Business Day in London, England.

" *Lien* ": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

" *Material Adverse Effect* ": a material adverse effect on (a) the Purchased Interests, (b) the business, assets, property, operations or condition (financial or otherwise) of Sanmina-SCI, the Originators and their Subsidiaries, taken as a whole, or (c) the validity or enforceability of any of the Transaction Documents or the rights and remedies of the Administrative Agent or the Purchasers thereunder.

" *Material Indebtedness* ": any Indebtedness or obligations in respect of one or more Hedge Agreements, of Sanmina-SCI evidencing an aggregate outstanding principal amount exceeding \$10.0 million. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of Sanmina-SCI in respect of any Hedge Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Sanmina-SCI would be required to pay if such Hedge Agreement were terminated at such time.

" *Mexican Deed of Assignment* ": a deed of assignment, in the form of a notarial instrument, substantially in the form of Exhibit O hereto.

" *Mexico* ": the United Mexican States and any governmental subdivision thereof.

" *New Eligible Buyer* ": as defined in Section 5.17.

" *New Originator* ": as defined in Section 5.17.

" *Notification* ": the notification comprising the exhibit to the Mexican Deed of Assignment, to be delivered in respect of each sale of Scheduled Receivables, to each Eligible Buyer in Mexico before a Mexican notary public, who shall issue the respective *acta* evidencing delivery of such Notification.

" *Obligations* ": all amounts payable as indemnity hereunder and all other obligations and liabilities of the Originators and the Servicers to the Administrative Agent or to any Purchaser, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Transaction Document or any other document made, delivered or given in connection herewith or therewith, whether on account of interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all reasonable fees, charges and disbursements of counsel to the Administrative Agent or to any Purchaser that are required to be paid by the Originators pursuant hereto) or otherwise.

" *Obligor* ": with respect to any Receivable, the Eligible Buyer obligated to make payments with respect to such Receivable and any guarantor of such Eligible Buyer's obligations.

" *Obligor Adverse Change* ": with respect to any Eligible Buyer, a material adverse change in the financial condition or business of such Eligible Buyer which, in the good faith opinion of the Administrative Agent, could be reasonably expected to affect materially and adversely the ability of such Eligible Obligor to perform its obligations under the Receivables of such Eligible Obligor or otherwise adversely affects the creditworthiness of such Eligible Obligor, based on the Administrative Agent's internal credit rating criteria.

" *Obligor Limits* ": the specified limit on the aggregate stated net amount payable (net of credit memos) of Scheduled Receivables of any Eligible Buyer that may be outstanding at any time hereunder, as set forth on Schedule 1.1B. The Obligor Limits in respect of any Eligible Obligor are subject to reduction or cancellation by the Administrative Agent in the event of an Obligor Adverse Change, any such reduction or cancellation to be notified by the Administrative Agent to the Servicers promptly in writing (it being understood that any such reduction or cancellation shall not apply to Scheduled Receivables that have been purchased prior to the date of such reduction or cancellation).

" *Organizational Documents* ": with respect to any Person, if such Person is a corporation, its charter and by-laws, or other organizational or governing documents, or if such Person is a partnership, its certificate of partnership, if any, and partnership agreement and, in each case, any stockholder or similar agreements between and among the holders of ownership interests in such Person.

" *Originators* ": as defined in the preamble hereto.

" *Other Taxes* ": any and all present or future value added taxes (VAT), stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Transaction Document.

" *Participant* ": as defined in Section 9.6(b).

" *Payment Account* ": as defined in Section 2.6(b).

" *Person* ": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

" *Purchase Calculation Notice* ": a notice delivered by the Administrative Agent to the Purchasers with a copy to the Servicers to the effect required by Section 2.2 and substantially in the form of Exhibit M hereto.

" *Purchase Date* ": each date prior to the Facility Termination Date on which the Originators propose to sell to the Purchasers ownership interests in the Scheduled Receivables identified in the related Purchase Notice.

" *Purchased Interest* ": at any time the undivided ownership interest of the Purchasers acquired pursuant to this Agreement from the Originators in the Scheduled Receivables reflected in the applicable Purchase Notice, Collections with respect to such Receivables and proceeds of, and amounts received or receivable under any or all of the foregoing; *provided, however* , that the Purchased Interest shall never be more than the outstanding balance of the related Scheduled Receivables as of the date the related Purchase Notice is sent to the Administrative Agent.

" *Purchase Notice* ": a notice delivered by the Servicers to the Administrative Agent in respect of a prospective sale of Scheduled Receivables, substantially in the form of Exhibit J hereto.

" *Purchase Rate* ": for each day during the applicable Yield Period, a rate per annum equal to the LIBOR Rate plus the Applicable Margin.

" *Purchaser Affiliate* ": (a) any Affiliate of any Purchaser, and (b) any Person that is administered or managed by any Purchaser and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

" *Purchasers* ": as defined in the preamble hereto.

" *Purchaser's Investment Limit* ": as to any Purchaser, the obligation of such Purchaser, if any, to make an Investment in Tranche A Receivables, Tranche B Receivables, Tranche C Receivables, Tranche D Receivables or some or all of such Tranches, in an amount not to exceed the amount for such Tranche set forth under the heading "Purchaser's Investment Limit" opposite such Purchaser's name on Schedule 1.1A hereto. As of the date hereof, the aggregate amount of the Purchasers' Investment Limits in Tranche A Receivables is \$35,000,000, the aggregate amount of the Purchaser's Investment Limits in Tranche B Receivables is \$150,000,000, the aggregate amount of the Purchaser's Investment Limits in Tranche C Receivables is \$100,000,000 and the aggregate amount of the Purchaser's Investment Limits in Tranche D Receivables is \$100,000,000.

" *Purchaser's Investment Percentage* ": as to any Purchaser, the percentage which such Tranche A, Tranche B, Tranche C or Tranche D Purchaser's Investment Limit (if any), as the case may be, then constitutes of the aggregate Tranche A, Tranche B, Tranche C or Tranche D Purchasers' Investment Limits, as the case may be (or if, at any time after the initial Purchase Date, all of the Tranche A, Tranche B, Tranche C and Tranche D Purchasers' Investment Limits have been reached, the percentage which the aggregate amount of such Purchaser's Investments in Tranche A, Tranche B, Tranche C or Tranche D Receivables, as the case may be, then outstanding constitutes of the aggregate amount of the Investments in Tranche A, Tranche B, Tranche C or Tranche D Receivables, as the case may be, then outstanding).

" *Receivable* ": an account receivable in Dollars created by the sale of Goods by an Originator to an Eligible Buyer.

" *Receivables Presentation* ": a presentation by the Servicers to the Administrative Agent substantially in the form of Exhibit L hereto.

" *Register* ": as defined in Section 9.6(d).

" *Regulation U* ": Regulation U of the Board as in effect from time to time.

" *Regulation X* ": Regulation X of the Board as in effect from time to time.

" *Required Purchasers* ": at any time, the holders of more than 50% of (a) until the initial Purchase Date, the Purchaser's Investment Limits, as the case may be, then in effect and (b) thereafter, the sum of the aggregate unpaid principal amount of the Investments then outstanding.

" *Required Tranche Purchasers* ": at any time, the holders of more than 50% of (a) in the case of the Tranche A Purchasers, the sum of the aggregate unpaid principal amount of the Tranche A Investments then outstanding, (b) in the case of the Tranche B Purchasers, until the initial Purchase Date of Tranche B Receivables, the Tranche B Purchaser's Investment Limits then in effect and thereafter, the sum of the aggregate unpaid principal amount of the Tranche B Investments then outstanding, (c) in the case of the Tranche C Purchasers, until the initial Purchase Date of Tranche C Receivables, the Tranche C Purchaser's Investment Limits then in effect and thereafter, the sum of the aggregate unpaid principal amount of the Tranche C Investments then outstanding or (d) in the case of the Tranche D Purchasers, until the initial Purchase Date of Tranche D Receivables, the Tranche D Purchaser's Investment Limits then in effect and thereafter, the sum of the aggregate unpaid principal amount of the Tranche D Investments then outstanding.

" *Requirement of Law* ": as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

" *Responsible Officer* ": as to any Person, the chief executive officer, president, chief financial officer, vice president, treasurer, or any other duly authorized officer or attorney-in-fact of such Person, but in any event, with respect to financial matters, the chief financial officer of such Person.

" *Sanmina Hungary Collection Accounts* ": as defined in the Collateral Account Agreement.

" *Sanmina Mexico Collection Accounts* ": as defined in the Collateral Account Agreement.

" *Sanmina Reports* ": as defined in Section 3.12.

" *Scheduled Due Date* ": the date on which a Scheduled Receivable becomes due and payable in accordance with the related Contract and draft or invoice therefor.

" *Scheduled Receivable* ": the Eligible Receivables, the outstanding balances of which are reflected in the applicable Purchase Notice and subsequently purchased pursuant to Section 2.2.

" *SEC* ": the United States Securities and Exchange Commission.

" *Secured Parties* ": as defined in Section 4.4 of the Collateral Assignment Agreement.

" *Security Documents* ": the Collateral Assignment Agreement, the Collateral Account Agreement, each Mexican Deed of Assignment, each Hungarian Receivables Transfer Agreement and all other security documents hereafter delivered to the Administrative Agent granting a Lien on or ownership interest in any property of any Person to secure the Obligations of any Originator under any Transaction Document.

" *Servicers* ": the meaning set forth in the preamble to this Agreement.

" *Solvent* ": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise," as of such date, as such quoted terms are determined in accordance with applicable U.S. federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim," and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

" *Subsidiary* ": as to any Person, an entity of which more than 50% of the ordinary voting Capital Stock are owned by such Person, or the management of which is otherwise Controlled, directly or indirectly, by such Person acting alone.

" *Tax Treaty* ": as defined in Section 2.8(d).

" *Termination Event* ": any of the events specified in Section 7, *provided* that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

" *Tranche* ": Tranche A, Tranche B, Tranche C, Tranche D or any additional tranche(s), if any, relating to New Eligible Buyers, as the case may be, comprising the obligation of the applicable Purchasers to acquire Tranche A Receivables, Tranche B Receivables, Tranche C Receivables, Tranche D Receivables or Receivables of such New Eligible Buyers, as the context may require, and the related rights in respect of such Receivables.

" *Tranche A Collateral* ": as defined in Section 2.(a)(i) of the Collateral Assignment Agreement.

" *Tranche A Collections* ": Collections in respect of Tranche A Receivables.

" *Tranche A Collection Accounts* ": as defined in Section 2.1 of the Collateral Account Agreement.

" *Tranche A Commitment Fee* ": as defined in Section 2.5(c).

" *Tranche A Eligible Buyer* ": IBM de Mexico Comercialización y Servicios S.A. de C.V.

" *Tranche A Obligations* ": Obligations owed to a Tranche A Purchaser.

" *Tranche A Purchaser* ": a Purchaser that has a Purchaser's Investment Limit for Tranche A Receivables.

" *Tranche A Purchaser's Investment Limit* ": the Purchaser's Investment Limit of a Tranche A Purchaser.

" *Tranche A Purchaser's Investment Percentage* ": the Purchaser's Investment Percentage of a Tranche A Purchaser.

" *Tranche A Receivable* ": a Scheduled Receivable arising from a sale of Goods to the Tranche A Eligible Buyer.

" *Tranche B Collateral* ": as defined in Section 2(b)(i) of the Collateral Assignment Agreement.

" *Tranche B Collections* ": Collections in respect of Tranche B Receivables.

" *Tranche B Collection Account* ": as defined in Section 2.1 of the Collateral Account Agreement.

" *Tranche B Commitment Fee* ": as defined in Section 2.5(c).

" *Tranche B Eligible Buyer* ": Lenovo (Singapore) PTE Ltd.

" *Tranche B Obligations* ": Obligations owed to a Tranche B Purchaser.

" *Tranche B Purchaser* ": a Purchaser that has a Purchaser's Investment Limit for Tranche B Receivables.

" *Tranche B Purchaser's Investment Limit* ": the Purchaser's Investment Limit of a Tranche B Purchaser.

" *Tranche B Purchaser's Investment Percentage* ": the Purchaser's Investment Percentage of a Tranche B Purchaser.

" *Tranche B Receivable* ": a Scheduled Receivable arising from a sale of Goods to the Tranche B Eligible Buyer.

" *Tranche C Collateral* ": as defined in Section 2(b)(i) of the Collateral Assignment Agreement.

" *Tranche C Collections* ": Collections in respect of Tranche C Receivables.

" *Tranche C Collection Account* ": as defined in Section 2.1 of the Collateral Account Agreement.

" *Tranche C Commitment Fee* ": as defined in Section 2.5(c).

" *Tranche C Eligible Buyer* ": IBM Corporation.

" *Tranche C Obligations* ": Obligations owed to a Tranche C Purchaser.

" *Tranche C Purchaser* ": a Purchaser that has a Purchaser's Investment Limit for Tranche C Receivables.

" *Tranche C Purchaser's Investment Limit* ": the Purchaser's Investment Limit of a Tranche C Purchaser.

" *Tranche C Purchaser's Investment Percentage* ": the Purchaser's Investment Percentage of a Tranche C Purchaser.

" *Tranche C Receivable* ": a Scheduled Receivable arising from a sale of Goods to the Tranche C Eligible Buyer.

" *Tranche D Collateral* ": as defined in Section 2(b)(i) of the Collateral Assignment Agreement.

" *Tranche D Collections* ": Collections in respect of Tranche D Receivables.

" *Tranche D Collection Account* ": as defined in Section 2.1 of the Collateral Account Agreement.

" *Tranche D Commitment Fee* ": as defined in Section 2.5(c).

" *Tranche D Eligible Buyer* ": IBM Singapore PTE Ltd.

" *Tranche D Obligations* ": Obligations owed to a Tranche D Purchaser.

" *Tranche D Purchaser* ": a Purchaser that has a Purchaser's Investment Limit for Tranche D Receivables.

" *Tranche D Purchaser's Investment Limit* ": the Purchaser's Investment Limit of a Tranche D Purchaser.

" *Tranche D Purchaser's Investment Percentage* ": the Purchaser's Investment Percentage of a Tranche D Purchaser.

" *Tranche D Receivable* ": a Scheduled Receivable arising from a sale of Goods to the Tranche D Eligible Buyer.

" *Transaction Documents* ": this Agreement, the Guarantee and the Security Documents.

" *Transferee* ": any Assignee or Participant.

" *Uniform Commercial Code* " or " *UCC* ": the Uniform Commercial Code as in effect from time to time in the State of New York.

" *UCC Financing Statement* ": a financing statement on Form UCC-1 (or Form UCC-3) in the form required under the applicable UCC to perfect a security interest in Collateral that is perfected by filing.

" *United Kingdom* ": the United Kingdom of England and Wales and any governmental subdivision thereof.

" *United States* ": the United States of America.

" *Yield Period* ": as to any Investment, the period commencing on (and including) the Purchase Date and ending on but excluding the date 90 days after the applicable Purchase Date. The final Yield Period shall end 90 days after the Facility Termination Date.

1.2. Other Definitional Provisions. Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Transaction Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(a) As used herein and in the other Transaction Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Originator or Servicer not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP in the jurisdiction of the respective Originator or Servicer, as the case may be, (ii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including, without limitation, cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights and (iv) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(b) The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. THE INVESTMENTS

2.1. **Purchaser's Investment Limits.** Subject to the terms and conditions hereof, each Purchaser severally agrees to purchase from time to time from the Originators on a revolving basis, without recourse (except as expressly provided herein) ownership interests (i) in the case of a Tranche A Purchaser, equal to such Purchaser's Tranche A Purchaser's Investment Percentage of all Tranche A Receivables in an amount not to exceed at any time outstanding the amount of such Purchaser's Investment Limit for Tranche A Receivables and an amount not to exceed at any time outstanding the Obligor Limit for the Tranche A Eligible Buyer, (ii) in the case of the Tranche B Purchaser, equal to such Purchaser's Tranche B Purchaser's Investment Percentage of all Tranche B Receivables in an amount not to exceed at any time outstanding the amount of such Purchaser's Investment Limit for Tranche B Receivables and an amount not to exceed at any time outstanding the Obligor Limit for the Tranche B Eligible Buyer, (iii) in the case of the Tranche C Purchaser, equal to such Purchaser's Tranche C Purchaser's Investment Percentage of all Tranche C Receivables in an amount not to exceed at any time outstanding the amount of such Purchaser's Investment Limit for Tranche C Receivables and an amount not to exceed at any time outstanding the Obligor Limit for the Tranche C Eligible Buyer, and (iv) in the case of the Tranche D Purchaser, equal to such Purchaser's Tranche D Purchaser's Investment Percentage of all Tranche D Receivables in an amount not to exceed at any time outstanding the amount of such Purchaser's Investment Limit for Tranche D Receivables and an amount not to exceed at any time outstanding the Obligor Limit for the Tranche D Eligible Buyer. The Purchasers' Investment Limits shall be reduced to zero and cancelled on the Facility Termination Date. The Originators (acting through the Servicers) may reduce the Purchasers' Investment Limits on a pro rata basis on any Purchase Date without penalty on 30 days' prior written notice to the Administrative Agent.

2.2. **Procedure for Making Purchases.** Each purchase of a Scheduled Receivable hereunder shall be made as follows: The Servicers shall give the Administrative Agent an irrevocable Purchase Notice (which Purchase Notice must be received by the Administrative Agent prior to 2:00 p.m., New York City time, not less than one Business Day prior to the anticipated Purchase Date) requesting that the applicable Purchasers make the Investments in an amount not less than \$20,000,000 (or, with the consent of all Purchasers, in an amount less than \$20,000,000) and related Receivables Presentation and specifying, for each Originator for such Purchase Date, (A) the aggregate amount, and currency, of the Scheduled Receivables, (B) the anticipated Purchase Date (which must be a Business Day), (C) the related Scheduled Due Dates, (D) the proposed amount of the Investment, and (E) transmitting a schedule of the Scheduled Receivables substantially in the form of Exhibit L, identifying the outstanding amount and Scheduled Due Date of such Receivables and the other information required by the form of Receivables Presentation. None of such Scheduled Receivables shall have been the subject of a prior Purchase Notice unless such Scheduled Receivable has been repurchased by the relevant Originator and rebilled to an Eligible Buyer (for the avoidance of doubt, it is agreed that such schedule may be transmitted to the Administrative Agent by e-mail). Upon receipt of such notice, the Administrative Agent shall promptly notify each Purchaser thereof. Not later than 3:00 p.m. (New York time) on the Business Day preceding the related Purchase Date, the Administrative Agent shall send to each Purchaser a notice substantially in the form of Exhibit M (the "Purchase Calculation Notice") setting forth a calculation of the related Purchased Interest. The aggregate outstanding Investments for a Tranche shall not exceed the Purchasers' aggregate Investment Limit for such Tranche. Any Indemnified Amount then due and payable hereunder shall be notified to the Servicers, which may either pay such Indemnified Amount or authorize the Administrative Agent to deduct such amount from the amount of the Investment to be made on such Purchase Date, and the Originators hereby so authorize such deduction, and the amount thereof shall be accounted for in the Purchase Calculation Notice. Not later than 12:00 Noon, New York City time, on the relevant Purchase Date, each Purchaser with a Purchaser's Investment Limit for such Tranche of Receivables shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds in Dollars equal

to the Purchaser's Investment Percentage of the relevant Investment by credit to the Administrative Agent's purchase account. The Administrative Agent shall, upon satisfaction of the conditions precedent to such purchase, credit the account of the Servicers on the books of such office of the Administrative Agent with the aggregate of the amounts of the Investment made available to the Administrative Agent by the Purchasers in immediately available funds.

2.3. **Sale and Assignment.** On each Purchase Date, effective upon the payment contemplated by Section 2.2 and (i) in the case of Sanmina Mexico, upon the execution and delivery of a Mexican Deed of Assignment as a notarial instrument and the giving of the Notification appended thereto before a Mexican notary public, in each case in respect of the Scheduled Receivables being sold on such Purchase Date and (ii) in the case of Sanmina Hungary, upon the execution and delivery of the Hungarian Receivables Transfer Agreement in respect of the Scheduled Receivables being sold on such Purchase Date, each Originator hereby sells and assigns to the relevant Purchasers the Purchased Interest in each Scheduled Receivable reflected in the applicable Purchase Notice.

2.4. **Fees.** The Originators jointly and severally agree to pay to the Administrative Agent and the Lead Arranger the fees in the amounts and on the dates previously agreed to in accordance with the Fee Letter among the Originators and the Lead Arranger dated September 21, 2007 (the "*Fee Letter*").

2.5. **Computation and Payments; Commitment Fees.** Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed.

(a) The Administrative Agent shall, at the request of the Servicers, deliver to the Servicers a statement showing the quotations used by the Administrative Agent in determining any interest rate.

(b) The Originators jointly and severally agree to pay to the Administrative Agent for the period from and including the date hereof through the Facility Termination Date (1) for the ratable benefit of the Tranche A Purchasers, a non-refundable fee (the "*Tranche A Commitment Fee*") equal to 0.15% per annum on the excess of (i) the Purchasers' Investment Limits for Tranche A over (ii) the outstanding amount of the Investments in Tranche A Receivables on each day during each calendar quarter; (2) for the ratable benefit of the Tranche B Purchasers, a non-refundable fee (the "*Tranche B Commitment Fee*") equal to 0.25% per annum on the excess of (i) the Purchasers' Investment Limits for Tranche B over (ii) the outstanding amount of the Investments in Tranche B Receivables on each day during each calendar quarter; (3) for the ratable benefit of the Tranche C Purchasers, a non-refundable fee (the "*Tranche C Commitment Fee*") equal to 0.15% per annum on the excess of (i) the Purchasers' Investment Limits for Tranche C over (ii) the outstanding amount of the Investments in Tranche C Receivables on each day during each calendar quarter; and (4) for the ratable benefit of the Tranche D Purchasers, a non-refundable fee (the "*Tranche D Commitment Fee*") equal to 0.15% per annum on the excess of (i) the Purchasers' Investment Limits for Tranche D over (ii) the outstanding amount of the Investments in Tranche D Receivables on each day during each calendar quarter. The Tranche A Commitment Fee, the Tranche B Commitment Fee, the Tranche C Commitment Fee and the Tranche D Commitment Fee shall be calculated on a daily basis and payable in arrears on the fifth Business Day of each calendar quarter occurring after the Initial Purchase Date, and on the Facility Termination Date. In the event of cancellation of all or a portion of the Purchaser's Investment Limits prior to the Facility Termination Date, the Originators jointly and severally agree to pay to the Administrative Agent for the ratable benefit of the affected Purchasers a commitment fee on such basis for the period from the cancellation through the Facility Termination Date.

2.6. Pro Rata Treatment and Payments. Each purchase by the Purchasers hereunder and each payment on account of any Commitment Fee or Purchased Interest shall be made *pro rata* according to the respective Purchasers' Investment Percentages for the relevant Tranche.

(a) All payments (including deposits) to be made by the Servicers and the Originators hereunder shall be made without setoff or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the relevant Purchasers, in Dollars and in immediately available funds to such account as the Administrative Agent shall specify by written notice to the Servicers and the Originators (the " *Payment Account* "), and, unless and until otherwise specified, all such payments shall be payable to the Administrative Agent, for the account of such Purchasers, at the Funding Office. The Administrative Agent shall distribute such payments to the relevant Purchasers promptly upon receipt in like funds as received. If any payment or deposit hereunder becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day. In the case of any extension of any payment pursuant to the preceding sentence, interest thereon shall be payable at the then applicable rate during such extension. The Servicers and the Originators shall pay to the Administrative Agent, for the benefit of the affected Purchasers, upon demand, interest on all amounts not paid or deposited when due at a rate per annum equal to 2% in excess of the LIBOR Rate for each such day such payment is overdue.

(b) Each Purchased Interest hereunder shall bear interest at the Purchase Rate for each day during the Yield Period in respect of it until paid in full. The Originators, jointly and severally, agree to pay interest on Scheduled Receivables purchased, from the relevant Purchase Date until payment in full of such Scheduled Receivables to the relevant Purchasers, in each case to be applied to the interest accruing on the Scheduled Receivables purchased hereunder during the relevant Yield Period, at the Purchase Rate. Such interest so accrued will be billed by the Administrative Agent to the Servicers on the 3rd Business Day of each calendar quarter occurring after the initial Purchase Date and due and payable upon receipt of such bill.

(c) Unless the Administrative Agent shall have been notified in writing by any Purchaser prior to a purchase that such Purchaser will not make the amount that would constitute its share of such purchase available to the Administrative Agent, the Administrative Agent may assume that such Purchaser is making such amount available to the Administrative Agent, and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Servicers an amount corresponding to the amount required to be advanced by such Purchaser. In any event the Administrative Agent shall make available on the Purchase Date such amount as has been made available to it by the Purchasers. If such amount is not made available to the Administrative Agent by such Purchaser by the required time on the relevant Purchase Date, such Purchaser shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Rate for the period until such Purchaser makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Purchaser with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Purchaser's share of such purchase is not made available to the Administrative Agent by such Purchaser within three Business Days after the relevant Purchase Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum specified in Section 2.6(b), on demand, from the Originators. Nothing herein shall be deemed to limit the rights of the Originators against any such Purchaser under this Agreement.

2.7. Requirements of Law. If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Purchaser with any request or directive

(whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject any Purchaser to any tax of any kind whatsoever with respect to this Agreement or any purchase made by it, or change the basis of taxation of payments to such Purchaser in respect thereof (except for Indemnified Taxes covered by Section 2.8 and changes in the rate of tax on the overall net income of such Purchaser);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Purchaser; or

(iii) shall impose on such Purchaser any other condition;

and the result of any of the foregoing is to increase the cost to such Purchaser, by an amount that such Purchaser deems to be material, of making or maintaining its purchase, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Originators shall pay such Purchaser, not later than 20 Business Days after its demand (which demand shall specify in reasonable detail the basis and calculation of the amounts claimed), any additional amounts necessary to compensate such Purchaser for such increased cost or reduced amount receivable. If any Purchaser becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Administrative Agent (with a copy to the Servicers) of the event by reason of which it has become so entitled.

(b) If any Purchaser shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Purchaser or any corporation controlling such Purchaser with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Purchaser's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Purchaser or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Purchaser's or such corporation's policies with respect to capital adequacy) by an amount reasonably deemed by such Purchaser to be material, then from time to time, after submission by such Purchaser to the Servicers (with a copy to the Administrative Agent) of a written request therefor (which request shall specify in reasonable detail the basis and calculation of the amount claimed), the Servicers shall pay to such Purchaser such additional amount or amounts as will compensate such Purchaser or such corporation for such reduction.

(c) A certificate as to any additional amounts payable pursuant to this Section 2.7 submitted by any Purchaser to the Servicers (with a copy to the Administrative Agent and the Collateral Agent) shall be conclusive in the absence of manifest error. The obligations of the Servicers pursuant to this Section 2.7 shall survive the termination of this Agreement and the payment of the Scheduled Receivables and all other amounts payable hereunder.

2.8. Taxes. All payments and deposits made by the Servicers or the other Originators under this Agreement or any other Transaction Document, and any amount of interest, shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding (i) net income taxes and franchise taxes (imposed in lieu of net income taxes), and (ii) taxes imposed on the Administrative Agent or any Purchaser as a result of a present or former connection between the Administrative Agent or such Purchaser and the jurisdiction of the Governmental Authority imposing

such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Purchaser having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Transaction Document) (such taxes, levies, imposts, duties, charges, fees, deductions and withholdings not described in items (i) or (ii) of this Section 2.8(a), the " *Indemnified Taxes* "). If any such Indemnified Taxes or Other Taxes are required to be withheld from any amounts payable to (or deposited for the benefit of) the Administrative Agent or any Purchaser hereunder, or on any amount of interest, the amounts so payable to (or deposited for the benefit of) the Administrative Agent or such Purchaser, or such amount of interest, shall be increased to the extent necessary to yield to the Administrative Agent or such Purchaser (after payment of all Indemnified Taxes and Other Taxes imposed on or attributable to amounts payable under this Section) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement.

(a) In addition, the Servicers and the Originators shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(b) Whenever any Indemnified Taxes or Other Taxes are payable by the Servicers or the Originators, as promptly as possible thereafter the relevant Originator or the Servicers, as the case may be, shall send to the Administrative Agent for its own account or for the account of the relevant Purchaser, as the case may be, a certified copy of an original official receipt received by the relevant Originator or the Servicers, as the case may be, showing payment thereof. If any Originator fails to pay any Indemnified Taxes or Other Taxes when due to the appropriate taxing authority, such Originator shall indemnify the Administrative Agent and the Purchaser within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified or Other Taxes imposed or asserted on or attributable to amounts payable under this section) paid by the Administrative Agent or Purchaser and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Servicers by a Purchaser or by the Administrative Agent on its own behalf or on behalf of a Purchaser shall be conclusive absent manifest error. In addition, if the Servicers or an Originator, as the case may be, fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Servicers and the Originators, jointly and severally, shall indemnify the Administrative Agent and the Purchasers for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Purchaser as a result of any such failure.

(c) The Administrative Agent and each Purchaser that has a Purchaser's Investment Limit to Sanmina Mexico (i) represents and warrants to Sanmina Mexico that, as of the date hereof, it (x) is registered with the Ministry of Finance and Public Credit of Mexico as a foreign bank or financial institution for purposes of Article 195, Section I of the Mexican income tax law, the rules thereunder and any administrative regulations (*resoluciones miscelaneas*) thereunder, (y) is a resident for tax purposes in a country with which Mexico has entered into a tax treaty for the avoidance of double taxation that is in effect (a "Tax Treaty") and (z) complies with the requirements provided in such Tax Treaty to apply a reduced withholding tax rate on interest and (ii) will (x) use reasonable commercial efforts to maintain registration with the Ministry of Finance and Public Credit of Mexico for purposes of and in conformity with Article 195, Section I of the Mexican income tax law, the rules thereunder and any administrative regulations (*resoluciones miscelaneas*) thereunder, (y) maintain its status as a resident for tax purposes in a country with which Mexico has a Tax Treaty and (z) comply with the requirements provided in such tax treaty to apply a reduced withholding tax rate on interest. If such registration is canceled or not renewed upon expiration during the term of this Agreement, or such Purchaser is no longer a resident for tax purposes in a country with which Mexico has a Tax Treaty or no longer complies with the

requirements set forth in such Tax Treaty to apply a reduced Mexican withholding tax on interest, the affected Purchaser may cancel its Purchaser's Investment Limit applicable to Sanmina Mexico.

(d) Notwithstanding the provisions of Section 2.8(a), Sanmina Mexico shall not be obligated to pay additional amounts in respect of Indemnified Taxes or Other Taxes to the extent that such Indemnified Taxes or Other Taxes or any portion thereof have been imposed solely as a result of the failure by any Purchaser (other than a Purchaser that is a Mexican tax resident) (x) to provide to Sanmina Mexico, upon the request of Sanmina Mexico made at least thirty (30) days in advance and if and when required under applicable law, a letter specifying that such Purchaser is the effective beneficiary of interest hereunder, as set forth in the Mexican income tax law or any applicable Tax Treaty or any equivalent administrative regulations of general applicability in effect thereafter while this Agreement shall remain in full force and effect, (y) following a reasonable request of Sanmina Mexico made at least thirty (30) days in advance, to complete and file with the appropriate Governmental Authority, or to provide to Sanmina Mexico, such certificates, information, or returns prescribed by any applicable law, rule or regulation enacted or issued by Mexico or any political subdivision thereof or authority therein, or an applicable Tax Treaty and which is in effect, that are necessary to avoid or reduce such Indemnified Taxes or Other Taxes pursuant to provisions of any such law, rule or regulation enacted or issued by Mexico or any political subdivision thereof or authority therein, or Tax Treaty (provided that such Purchaser shall be under no obligation to provide any information to Sanmina Mexico which such Purchaser deems, in such Purchaser's sole judgment, to be confidential, proprietary or otherwise disadvantageous to such Purchaser), or (z) to use its reasonable commercial efforts to comply with the requirements, under the relevant Tax Treaty, the Mexican income tax law, the rules thereunder and/or any administrative regulations (*resoluciones misceláneas*) thereunder, to have the right to claim the benefits of such Tax Treaty.

(e) Each Purchaser severally agrees, in the case of any Originator or New Originator (other than Sanmina Mexico), to furnish upon the reasonable request of such Originator or New Originator such official forms as are prescribed by applicable law, and additional documents required to be attached thereto, as may be required to evidence its entitlement to an otherwise available exemption from or reduction of withholding taxes, including under any applicable income tax treaty.

(f) The agreements in this Section 2.8 shall survive the termination of this Agreement and the payment of all amounts payable hereunder.

2.9. Indemnity. Without limiting any other rights that the Administrative Agent or the Purchasers may have hereunder or under applicable law, the Originators jointly and severally hereby agree to indemnify each of the Indemnified Persons on demand from and against any and all Indemnified Amounts relating to or resulting from any of the following: (i) the failure of any information provided to the Administrative Agent with respect to Scheduled Receivables to be true and correct in all material respects; (ii) the failure of any representation or warranty or statement made or deemed made by any Originator under or in connection with this Agreement to have been true and correct in all respects when made; (iii) the failure by the Originators to comply with any applicable law, rule or regulation with regard to any Scheduled Receivable, the related Contract, or the failure of any Scheduled Receivable or the related Contract to conform to any applicable law, rule or regulation; (iv) the failure to vest in the Administrative Agent for the benefit of the Purchasers a valid and enforceable first priority perfected (A) ownership interest, to the extent of the related Purchased Interest, in the Scheduled Receivables, and (B) security interest in the Scheduled Receivables, in each case free and clear of any Lien or other adverse claim; (v) any dispute, claim, counterclaim or defense of an Eligible Buyer to the payment of any Scheduled Receivable (including a defense based on such Scheduled Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), any Dilution or other adjustment with

respect to a Scheduled Receivable or any claim resulting from the sale of the goods or services related to such Scheduled Receivable or any other transaction with such Obligor or the furnishing or failure to furnish such goods or services or relating to collection activities with respect to such Scheduled Receivables or any tax deducted from the payment of a Scheduled Receivable by the Obligor thereon; (vi) any failure of the Originators to perform their duties or obligations in accordance with the terms of this Agreement (including, without limitation, failure to make any payment or deposit when due hereunder), or to perform their duties or obligations (if any) under any Contract; (vii) any breach of warranty, products liability or other claim investigation, litigation or proceeding arising out of or in connection with goods or services which are the subject of any Scheduled Receivables; (viii) the commingling of Collections of Scheduled Receivables at any time with other funds; (ix) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of purchases or the ownership of the related Purchased Interest or in respect of any Scheduled Receivable or any related Specified Asset in respect thereof; (x) the occurrence of any Termination Event; (xi) in the event any Purchased Interest is greater than 1.0 times the related Scheduled Receivables; (xii) the failure of any Scheduled Receivables to be Eligible Receivables; (xiii) the failure of any Originator to complete the sale and delivery of the goods (or the performance of the services, if any) which are the subject of any Scheduled Receivables; (xiv) subject to Section 2.9(b), any Defaulted Receivable; (xv) any shortfall resulting from the collection of a Scheduled Receivable in a currency other than Dollars upon conversion thereof to Dollars and deposit into the Collection Accounts, as contemplated by the Collateral Account Agreement; (xvi) any action or inaction of the Originators or the Servicers which impairs the interest of the Administrative Agent or any Purchaser in any Scheduled Receivables; or (xvii) any failure to pay accrued interest hereunder when and as due. If and to the extent the Administrative Agent or any Purchaser shall be required for any reason to pay over to an Originator or an Obligor (or any trustee, receiver, custodian or similar official in any insolvency proceeding) any amount received by such Person hereunder, such amount shall be deemed not to have been so received and the Administrative Agent shall have a claim against the Originators to the extent provided herein. All Indemnified Amounts hereunder shall be due and payable on the date that is 20 days from the demand made therefor to the Payment Account of the Administrative Agent. Any Scheduled Receivable in respect of which an Indemnified Amount is paid pursuant to Sections 2.9(a)(iv), (xii), (xiii) or (xiv) shall be deemed paid in full upon payment of the applicable Indemnified Amount and upon such payment the affected Originator shall be deemed to have repurchased any such Scheduled Receivable. To the extent such payments are in lieu of payment with respect to the Scheduled Receivables, such payments shall be paid to the Administrative Agent for disbursement under the Collateral Account Agreement.

(a) Notwithstanding Section 2.9(a), the Originators shall not be obligated to indemnify any Indemnified Person at any time for (w) amounts unpaid, paid over or repaid to any Person with respect to any Receivable as a result of the applicable Obligor being a debtor in an Insolvency Proceeding commenced as of or prior to the Scheduled Due Date for such Receivable, it being further understood and agreed that this clause shall not limit the Originators' obligations under this Section arising out of or relating to any other event, occurrence or circumstance which would give rise to an obligation of the Originators pursuant to this Section (to the extent that such event, occurrence circumstance adversely affects repayment of any Investments, plus accrued Interest thereon, during or in connection with such Insolvency Proceeding), or (x) Indemnified Amounts resulting from the gross negligence or willful misconduct on the part of the Indemnified Party proposed to be indemnified.

(b) The obligations of each Originator and each Servicer shall be deemed to be owed separately (v) to the Tranche A Purchasers, (w) to the Tranche B Purchasers, (x) to the Tranche C Purchasers, (y) to the Tranche D Purchasers, and (z) to each other Tranche of Purchasers (if any). Without limiting the foregoing, no obligation of any Originator or Servicer to any Tranche of Purchasers shall be affected by any condition or circumstance relating to any other Tranche of Purchasers.

2.10. Replacement of Purchasers. The Servicers shall be permitted to replace any Purchaser that (a) requests reimbursement for amounts owing pursuant to Section 2.8 or (b) defaults in its obligation to make purchases hereunder (without prejudice to the rights of the affected Originator against such Purchaser), with a replacement financial institution; *provided* that the replacement financial institution, if not already a Purchaser, shall be reasonably satisfactory to the Administrative Agent, and the replaced Purchaser shall be obligated to make such replacement in accordance with the provisions of Section 9.6 (provided that the Servicers shall be obligated to pay the registration and processing fee referred to therein). Until such time as such replacement shall be consummated, the Originators shall pay all additional amounts (if any) required pursuant to Section 2.8 or 2.9(a), as the case may be, and any such replacement shall not be deemed to be a waiver of any rights that the Servicers, the Originators, the Administrative Agent or any other Purchaser shall have against the replaced Purchaser.

2.11. Evidence of Purchased Interests. The Administrative Agent, on behalf of the Purchasers, shall maintain the Register pursuant to Section 9.6(d), and a subaccount therein for each Purchaser, in which shall be recorded (i) the amount of each purchase made hereunder, and (ii) the amount payable or to become due and payable from (or to be deposited by) the Servicers and each Originator to each Purchaser hereunder. At the request of the Administrative Agent, from time to time, the Servicers shall provide copies of the drafts, shipping documents and other related documentation with respect to a Scheduled Receivable as the Administrative Agent shall reasonably require.

SECTION 3. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Purchasers to enter into this Agreement and to make the purchases, each Originator, jointly and severally, hereby represents and warrants to the Administrative Agent and each Purchaser that:

3.1. Financial Condition. The audited consolidated balance sheets of Sanmina-SCI and its consolidated Subsidiaries as at September 30, 2006, and the related statements of income and of cash flows of Sanmina-SCI for the fiscal years ended on such dates, contained in its Annual Report on Form 10-K filed with the SEC on January 3, 2007, present fairly in all material respects the consolidated financial condition of Sanmina-SCI and its consolidated Subsidiaries as at such date, and Sanmina-SCI's consolidated results of operations and cash flows for the respective fiscal years then ended. The unaudited consolidated balance sheet of Sanmina-SCI and its consolidated Subsidiaries as at June 30, 2007, and the related statements of income and cash flows of Sanmina-SCI for the fiscal quarter ended on such date, contained in its Quarterly Report on Form 10-Q filed with the SEC on August 6, 2007, present fairly in all material respects the consolidated financial condition of Sanmina-SCI and its consolidated Subsidiaries as at such date, and Sanmina-SCI's consolidated results of operations and cash flows for the respective fiscal quarter then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by Sanmina-SCI's accountants and disclosed therein and subject to normal year-end adjustments in the case of unaudited financial statements). No Group Member has any material Guarantee Obligations, material contingent liabilities or material liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including, without limitation, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the audited financial statements referred to in this paragraph. During the period from June 30, 2007, to and including the date hereof, there has been no Disposition by any Group Member of any material part of its business or property that could reasonably be expected to result in a Material Adverse Effect.

3.2. No Change. Since September 30, 2006, there has been no change, development or event that has had or could reasonably be expected to have a Material Adverse Effect.

3.3. Existence; Compliance with Law. Each Originator and Servicer (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect, and (d) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.4. Power; Authorization; Enforceable Obligations. Each of the Originators and the Servicers has the power and authority, and the legal right, to make, deliver and perform the Transaction Documents to which it is a party. Each of the Originators and the Servicers has taken all necessary organizational action to authorize the execution, delivery and performance of the Transaction Documents to which it is a party. No consent or authorization of, filing with, notice to or other act by or in respect of any Governmental Authority or any other Person is required in connection with the transactions hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Transaction Documents, except (a) consents, authorizations, filings and notices described in Schedule 3.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect and (b) the filings referred to in Section 3.14. Each Transaction Document has been duly executed and delivered on behalf of each Originator and Servicer party thereto. This Agreement constitutes, and each other Transaction Document upon execution and delivery thereof will constitute, a legal, valid and binding obligation of each Originator and Servicer party thereto, enforceable against each such Originator and Servicer in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). This Agreement and the other Transaction Documents are in proper legal form under Mexican and Hungarian law for the enforcement thereof against the Originators under the laws of Mexico and Hungary, as the case may be, and to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement in Mexico or Hungary it is not necessary that this Agreement, any other Transaction Document or any other document be filed or recorded with any court or other authority in Mexico or Hungary or that any stamp or similar tax be paid on or in respect of this Agreement, such other Transaction Documents or any other document; *provided*, that (i) in the event any legal proceedings are brought in a court of Hungary with respect to any Transaction Documents or other documents or instruments, (a) it would be necessary at the time to pay stamp tax to initiate such proceedings or file an appeal, the current rate of which equals 6% of the value of the amount in dispute, but not more than HUF900,000 (approximately \$4,500.00 at the currently applicable exchange rate) and (b) a Hungarian translation thereof must be prepared by an authorized public translator of the English language in Hungary, and such translation is filed with the document concerning which the action is brought and (ii) in the event legal proceedings are brought in the courts of Mexico, a Spanish translation of this Agreement and the other Transaction Documents prepared by a court-approved translator would have to be approved by such court after the defendant had been given an opportunity for a hearing as to the accuracy of such translation, and proceedings would thereafter be based on such translation; provided that in the event that a final judgment rendered by any of the courts of the State of New York sitting in the City of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof; in respect of any Transaction Document governed by New York law, such judgment would be recognized by, valid and enforceable in the courts of Mexico, without a further review on the

merits pursuant to Article 1374-A of the Commerce Code of Mexico, *further provided* that: (a) any judgment under a Transaction Document must be obtained in compliance with legal requirements of the jurisdiction of the court rendering such judgment and in compliance with all legal requirements of such Transaction Document governed by New York law; (b) service of process in any such judgment must be made personally on the relevant party or on the appropriate process agent (it should be noted that service of process by mail does not constitute personal service of process for purposes of Mexican law); (c) any such judgment must not contravene any Mexican law, public policy of Mexico, international treaties or agreements binding upon Mexico or generally accepted principles of international law; (d) the applicable procedure under the laws of Mexico with respect to the enforcement of foreign judgments (including the issuance of a letter rogatory by the competent authority of such jurisdiction requesting enforcement of such judgment and the certification of such judgment as authentic by the corresponding authorities of such jurisdiction in accordance with the laws thereof) must be complied with in regard to any such judgment; (e) any such judgment referred to above must be final in the jurisdiction where obtained; (f) any such judgment referred to above must fulfill the necessary requirements to be considered authentic; (g) the courts of the relevant jurisdiction must recognize the principles of reciprocity in connection with the enforcement of Mexican judgments in such jurisdiction; (h) the action on which any final judgment is rendered must not be the subject matter of a lawsuit among the same parties pending before a Mexican court, or resolved by definite judgment (*sentencia definitiva*) by a Mexican court that has previously served process (*notificado*) or delivered a rogatory letter to the competent authorities in accordance with Mexican law; (i) the court issuing any such judgment must be considered of competent jurisdiction under the rules internationally accepted that are compatible with Mexican procedural laws; and (j) the documents relating to the legal action instituted before the courts of the State of New York located in the City of New York, or of the United States of America for the Southern District of New York located in the City of New York, and any judgment rendered thereunder, must be translated into Spanish by an expert duly authorized by the Mexican courts for their admissibility before the Mexican court before which enforcement is requested. Such translation must be approved by the Mexican court after the defendant has been given an opportunity to be heard with respect to the accuracy of the translation, and such proceedings would thereafter be based upon the translated documents.

3.5. No Legal Bar. The execution, delivery and performance of this Agreement and the other Transaction Documents and the use of the proceeds thereof will not violate the Organizational Documents of any Originator or Servicer party thereto, will not violate in any respect material to the rights and interests of the Purchasers any Requirement of Law or, except as previously disclosed in writing by the Originators or the Servicers to the Administrative Agent and the Purchasers, any material Contractual Obligation of any Originator or Servicer and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents).

3.6. Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Originator, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to any of the Transaction Documents or any of the transactions contemplated hereby or thereby or (b) that could reasonably be expected to have a Material Adverse Effect.

3.7. No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Termination Event has occurred and is continuing.

3.8. Ownership of Property; Liens. Each Originator and Servicer has good and marketable title to, or a valid leasehold interest in, all its real property necessary for the conduct of its

business, and good title to, or a valid leasehold interest in or right to use, all its other property necessary for the conduct of its business. On each Purchase Date each Originator will be the legal and beneficial owner of the Scheduled Receivables to be purchased on such date, free and clear of any Lien or adverse claim, except such Liens as are released upon payment to the holder thereof on a Purchase Date of the Investment with respect to the Scheduled Receivable subject to such Lien and Liens created by the Security Documents; upon each purchase the Purchasers will have a valid and enforceable perfected undivided percentage ownership interest to the extent of the Purchased Interest or a valid and enforceable first priority, perfected security interest in each such Scheduled Receivable, in each case free of any Lien or adverse claim. No effective UCC Financing Statement or other instrument similar in effect covering any of the Scheduled Receivables is on file in any recording office (including in Hungary or Mexico), other than the UCC Financing Statement filed pursuant to this Agreement in favor of the Administrative Agent, except as otherwise permitted by this Section 3.8. Each Scheduled Receivable is an Eligible Receivable.

3.9. Taxes. Each Originator and Servicer has filed or caused to be filed all material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any written assessments made against it or any of its property and all other material taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than such taxes, fees or other charges the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Originator or Servicer, as the case may be); no tax Lien has been filed, and, to the knowledge of any Originator, no claim is being asserted, with respect to any such tax, fee or other charge that in any case would reasonably be expected to have a Material Adverse Effect.

3.10. Federal Regulations. No part of the proceeds of any Investment will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of Regulation U or Regulation X of the Board.

3.11. Investment Company Act; Other Regulations. No Originator is an "investment company," or a company "controlled" by an "investment company," within the meaning of the U.S. Investment Company Act of 1940, as amended. No Originator is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

3.12. Accuracy of Information, etc. No statement or information contained in this Agreement, any other Transaction Document or any other document, certificate or statement furnished by or on behalf of any Originator to the Administrative Agent or the Purchasers, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Transaction Documents, when taken together with Sanmina-SCI's filings with the SEC, contained as of the date such statement, information, document or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact known to any Originator that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein or in Sanmina-SCI's filings with the SEC, in the other Transaction Documents, or in any other documents, certificates and statements furnished to the Administrative Agent and the Purchasers for use in connection with the transactions contemplated hereby and by the other Transaction Documents. Sanmina has filed all required registration statements, prospectuses, reports, schedules, forms, statements and other documents required to be filed by Sanmina with the SEC since January 1, 2006 (collectively, the "*Sanmina Reports*"). None of the Sanmina Reports, as of their respective dates (and, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing), contained any untrue statement of a material fact

or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

3.13. Solvency. Each Originator is, and after giving effect to the Purchasers' Investments and the incurrence of the obligations being incurred hereunder, will be and will continue to be, Solvent.

3.14. Security Documents. The Collateral Assignment Agreement, the Collateral Account Agreement, each Mexican Deed of Assignment and each Hungarian Receivables Transfer Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Purchasers, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Collateral described in the Collateral Assignment Agreement, when the actions specified on Schedule 3.14 have been taken, the Collateral Assignment Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the relevant Originator in such Collateral and the proceeds thereof, as security for their obligations hereunder, in each case prior and superior in right to any other Person, except for claims that have priority by operation of law. Except as set forth in this Section 3.14, no other documents are required to be filed, registered or recorded, and no other action is required to be taken by any Person, to perfect such security interest in favor of the Administrative Agent, for the benefit of the Purchasers.

3.15. Principal Place of Business. The principal place of business and chief executive office (as such terms are used in the UCC) of each Originator and the office where each Originator keeps its records concerning the Scheduled Receivables are located at the addresses set forth on Schedule 3.15. No Originator has an office or place of business in the United States or any Commonwealth, territory or possession of the United States.

3.16. Accounting for Scheduled Receivables. Each Originator has accounted for each sale of undivided percentage ownership interests in its Scheduled Receivables in its books and financial statements as sales, consistent with GAAP in its respective jurisdiction. No Originator shall prepare financial statements which shall account for the transactions contemplated hereby in any manner other than as sales of the Scheduled Receivables by the Originators to the Purchasers or in any other respect account for or treat the transactions contemplated hereby (including for accounting purposes, but excluding for tax reporting purposes and except as required by law) in any manner other than as sales of the Scheduled Receivables by the Originators to the Purchasers. None of the Scheduled Receivables when sold hereunder will constitute assets of the respective Originator, and the transfer of the Purchased Interests to the Purchasers will not be capable of being set aside by any creditor of such Originator or any other Person (including, without limitation, any liquidator, trustee, receiver, *sindico* or similar official with respect to such Originator).

SECTION 4. CONDITIONS PRECEDENT

4.1. Conditions Precedent to Initial Purchase. The agreement of each Purchaser to make the initial purchase of an undivided interest pursuant to this Agreement is subject to the satisfaction, prior to the making of such purchase on the initial Purchase Date (the date of such satisfaction, as notified by the Administrative Agent to the Servicers and the Purchasers, being the " *Closing Date* "), of the following conditions precedent:

(a) *Receivables Purchase Agreement; Security Documents.* The Administrative Agent shall have received (with copies for each Purchaser) (i) this Agreement, executed and delivered by the Originators, the Servicers, the Administrative Agent and each Person listed on Schedule 1.1A, and (ii) each of the Security Documents, executed and delivered by each of the applicable Originators parties thereto and the Administrative Agent.

(b) *Certain Other Transaction Documents.* The Administrative Agent shall have received (i) a copy of the *acta* of a Mexican notary public evidencing the delivery to the Eligible Buyer located in Mexico of the Notification comprising the exhibit to the Mexican Deed of Assignment in respect of the Scheduled Receivables to be purchased on such date and (ii) the duly executed Guarantee of the Guarantor.

(c) *Financial Statements.* All financial statements delivered to the Purchasers under Section 3.1 shall be in form satisfactory to the Administrative Agent.

(d) *Approvals; Waiver.* All material governmental and third party approvals necessary in connection with the making of the purchases or the continuing operations of the Originators shall have been obtained and shall be in full force and effect; provided that if any such consent or approval shall not have been obtained in respect of a proposed Eligible Buyer, such consent or approval may be delivered as a condition to a subsequent Purchase Date, at which date Scheduled Receivables arising from sales to such Eligible Buyer can be presented for purchase.

(e) *Fees.* The Purchasers, the Lead Arranger and the Administrative Agent shall have received all previously agreed fees required to be paid, and all expenses for which invoices have been presented (including, without limitation, the reasonable fees and expenses of legal counsel), on or before the Closing Date. All other fees will be reflected in the funding instructions given by the Servicers to the Administrative Agent on or before the Initial Purchase Date.

(f) *Closing Certificate.* The Administrative Agent shall have received a certificate of each Originator, dated as of the Closing Date, substantially in the form of Exhibit F, with appropriate insertions and attachments.

(g) *Legal Opinions.* The Administrative Agent shall have received the following executed legal opinions, dated the Closing Date:

(i) the legal opinion of Wilson Sonsini Goodrich & Rosati, P.C., U.S. counsel to the Servicers and the Originators, substantially in the form of Exhibit E;

(ii) the legal opinion of Baker & McKenzie, special Mexican counsel to Sanmina Mexico, substantially in the form of Exhibit C; and

(iii) the legal opinion of Clifford Chance, special Hungarian counsel to Sanmina Hungary, substantially in the form of Exhibit D.

Each such legal opinion shall be in form and substance reasonably satisfactory to the Administrative Agent, the Purchasers and their counsel and shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require, including, without limitation, the creation and perfection of ownership and security interests in the Collateral.

(h) *Agent for Service of Process.* Each Originator and the Servicers shall have appointed CSC Corporation as its agent for service of process in New York City in connection with the Transaction Documents, and the Administrative Agent shall have received (i) a duly executed letter from CSC Corporation acknowledging each such appointment and otherwise in form and substance satisfactory to the Administrative Agent and (ii) in the case of Sanmina Mexico, a special irrevocable power of attorney certified by a Mexican notary public in the form of Exhibit R and otherwise satisfactory to the Administrative Agent, granted by Sanmina Mexico in favor of CSC Corporation, irrevocably appointing CSC Corporation, as agent for service of process in New York.

4.2. **Conditions Precedent to All Purchases.** The agreement of each Purchaser to make its purchase of an undivided interest pursuant to this Agreement (including on the initial Purchase Date) is subject to the further satisfaction, prior to the making of any such purchase, of the following conditions precedent:

(a) *No Material Adverse Change.* No development or event shall have occurred that has had or would reasonably be expected to have a Material Adverse Effect.

(b) *Representations and Warranties.* Each of the representations and warranties made by any Originator or a Servicer in or pursuant to the Transaction Documents shall be true and correct in all material respects on and as of the Purchase Date as if made on and as of such date.

(c) *No Termination Event.* No Termination Event or Incipient Termination Event shall have occurred and be continuing on such Purchase Date or after giving effect to the purchase requested to be made on such date.

(d) *Filings, Registrations and Recordings; Other Actions.* Each (a) document specified in Schedule 3.14, or otherwise reasonably requested by the Administrative Agent, to be filed, registered or recorded by the Originators and (b) each other action specified on Schedule 3.14, or otherwise reasonably requested by the Administrative Agent, to be taken prior to or concurrently with the Purchase Date by the Originators, in each case in order to create in favor of the Administrative Agent, for the benefit of the Purchasers, a perfected ownership interest in and first priority Lien on the Collateral described therein and ownership interest in the Scheduled Receivables, prior and superior in right to any other Person, shall be in proper form for filing, registration or recordation or shall have been taken, as the case may be.

The sale by the Originators hereunder shall constitute a representation and warranty by the Originators as of the relevant Purchase Date that the conditions contained in Section 4.2(b) and (c) have been satisfied.

SECTION 5. AFFIRMATIVE COVENANTS

Each Originator hereby agrees that, so long as the Purchaser's Investment Limits remain in effect or any amount is owing to any Purchaser or the Administrative Agent hereunder, the Originators and the Servicers, as the case may be, shall:

5.1. Financial Statements. Furnish to the Administrative Agent:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of Sanmina-SCI, a copy of the audited consolidated balance sheet of Sanmina-SCI and its consolidated subsidiaries as at the end of such year and the related audited statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by KPMG LLP, or other independent registered public accountants of recognized international standing and without any limitation or qualification on the certification of internal controls required under SEC rules; and

(b) as soon as available, but in any event not later than 60 days after the end of each of the first three quarterly periods of each fiscal year of Sanmina-SCI, the unaudited consolidated balance sheet of Sanmina-SCI as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in comparative form the figures for the previous year, certified by a Responsible Officer of Sanmina-SCI as fairly presenting in all material respects the financial condition of SCI-Sanmina and its Subsidiaries

as at the dates indicated and the results of their operations and cash flows for the periods indicated, subject to changes resulting from normal year-end audit adjustments and the absence of footnotes (which certification shall be satisfied by the certification provided in Exhibit 31 to Sanmina-SCI's Quarterly Report on Form 10-Q filed with the SEC). Each of the Purchasers shall be entitled to rely on such certification as if addressed to them.

Financial statements required to be delivered pursuant to Sections 5.1(a) and (b) (to the extent any such financial statements are included in materials otherwise filed with the SEC) may be delivered electronically and if so, shall be deemed to have been delivered on the date on which Sanmina-SCI posts such reports, or provides a link thereto, either: (i) on Sanmina-SCI's website on the Internet at the website address listed in Section 9.2; or (ii) when such report is posted electronically on IntraLinks/IntraAgency or other relevant website which each Purchaser and the Administrative Agent have access to (whether a commercial, third-party website or whether sponsored by the Administrative Agent), if any, on Sanmina-SCI's behalf; provided that: (x) Sanmina-SCI shall deliver paper copies of such reports to the Administrative Agent or any Purchaser who requests Sanmina-SCI to deliver such paper copies until written request to cease delivering paper copies is given by the Administrative Agent or such Purchaser; and (y) Sanmina-SCI shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such reports and immediately following such notification Sanmina-SCI shall provide to the Administrative Agent, by electronic mail, electronic versions (i.e., soft copies) of such reports. The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the reports referred to above, and in any event shall have no responsibility to monitor compliance by Sanmina-SCI with any such request for delivery, and each Purchaser shall be solely responsible for requesting delivery to it or maintaining its copies of such reports.

5.2. **Payment of Obligations.** Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member or where the failure to so pay, discharge or satisfy such obligation could not reasonably be expected to have a Material Adverse Effect.

5.3. **Maintenance of Existence; Compliance.** (a)(i) Preserve, renew and keep in full force and effect its organizational existence, (ii) continue to engage in business of the same general type conducted by it on the initial Purchase Date and any business that is related, ancillary or complementary thereto or a reasonable extension thereof, and (iii) take all reasonable action to maintain all permits, licenses, rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in the case of clause (iii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations binding on it and applicable Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.4. **Maintenance of Property; Insurance.** (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability and product liability) as are usually insured against in the same general area by companies engaged in the same or a similar business.

5.5. **Inspection of Property; Books and Records; Discussions.** (a) Keep proper books of records and account in which entries are made so that financial statements may be prepared in conformity with GAAP and (b) at reasonable times and upon reasonable prior notice, permit

employees of any Purchaser and the Administrative Agent to (at its own expense prior to a Termination Event), visit and inspect any of its properties and examine and make abstracts from any of its books and records (including computer tapes and disks) relating to Scheduled Receivables. Without limiting the foregoing, such examinations, copies, abstracts, visits and discussions may cover, among other things, maturity dates, agings, past dues, charge-offs and offsets with respect to the Scheduled Receivables. Notwithstanding anything to the contrary in this Section 5.5, no Originator shall be required to disclose, permit the inspection, examination or making of extracts, or discussion of any document, information or matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to any Purchaser or the Administrative Agent is then prohibited by law, rule, regulation, statute or ordinance or any agreement binding on such Originator, Sanmina-SCI or any other Subsidiary of Sanmina-SCI or (iii) is subject to attorney-client or similar privilege or constitutes attorney work product.

5.6. Notices. Promptly give notice to the Administrative Agent and each Purchaser of:

- (a) the occurrence of any Incipient Termination Event or Termination Event;
- (b) any (i) material default or event of default under any material Contractual Obligation of any Originator or Servicer or (ii) material litigation, investigation or proceeding that may exist at any time to which any Originator or Servicer is a party or is subject that, in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;
- (c) any litigation or proceeding affecting any Originator or Servicer (i) in which the amount involved is \$15,000,000 or more and not covered by insurance or (ii) that relates to any Transaction Document; and
- (d) any other development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 5.6 shall be accompanied by a statement of a Responsible Officer of Sanmina-SCI setting forth details of the occurrence referred to therein and stating what action the relevant Originator or Servicer proposes to take with respect thereto.

5.7. Use of Proceeds. The proceeds of the sales of Scheduled Receivables will be used for working capital and general corporate purposes. No part of the proceeds will be used, whether directly or indirectly, for any purpose that entails a violation of any of the regulations of the Board applicable to the Originators, including, without limitation, Regulations U and X.

5.8. Irrevocable Payment Instructions. Deliver to each purchaser designated as an Eligible Buyer in respect of a Scheduled Receivable the Irrevocable Payment Instructions to make payment to (or to cause a letter of credit to be paid to) the relevant Collection Account. In the case of sales by Sanmina-Mexico, the Irrevocable Payment Instructions also shall have been delivered to each Eligible Buyer in the form of the Notification.

5.9. Ownership. In the case of Sanmina-SCI, retain, directly or indirectly, voting control of the Originators.

5.10. Further Assurances. Execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent may reasonably request (i) to perfect or maintain the ownership interest of the Purchasers in Scheduled Receivables and Liens for the benefit of the parties named in the applicable Security Documents as beneficiaries thereof, including assets that are required to become Collateral after the Initial Purchase Date, or (ii) otherwise to implement or effectuate the provisions of this Agreement and the other Transaction Documents.

5.11. **Offices, Records, Books of Account.** Each Originator (i) shall keep its principal place of business and chief executive office (as such terms are defined in the UCC) and the office where it keeps its records concerning the Scheduled Receivables at the address of such Originator set forth on Schedule 3.15 or, upon at least 15 days' prior written notice of a proposed change to the Administrative Agent, at any other locations, so long as, prior to making such a change, such Originator shall have taken all actions in any applicable jurisdiction that may be requested by the Administrative Agent in accordance with Section 3.14; and (ii) shall provide the Administrative Agent with at least 15 days' written notice prior to making any change in such Originator's name or making any other change in the Originator's identity or corporate structure which could render any UCC Financing Statement theretofore filed with respect to such Person by any other Person (including, if applicable, any UCC Financing Statements filed in connection with this Agreement) "seriously misleading" as such term is used in the UCC, so long as, prior to making any such change, the Originator shall have taken all actions in any applicable jurisdiction that may be requested by the Administrative Agent in accordance with Section 3.14. Each Originator also will maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Scheduled Receivables and related Contracts in the event of the destruction of the originals thereof) and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Scheduled Receivables, including records adequate to permit the daily identification of each Scheduled Receivable and all Collections of and adjustments to each existing Scheduled Receivable. Each Originator and the Servicers agree to indicate, or cause to be indicated, on the computer files containing a master database of Scheduled Receivables a notation that all Scheduled Receivables included in such list or print out have been sold to the Purchasers in accordance with this Agreement, and to deliver to the Administrative Agent computer files, microfiche lists or typed or printed lists containing true and complete lists of all such Scheduled Receivables, identified by Obligor from time to time promptly upon request of the Administrative Agent.

5.12. **Sales, Liens, Etc.** No Originator shall sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Lien or adverse claim upon or with respect to, any or all of its right, title or interest in, to or under the Scheduled Receivables or upon or with respect to any account to which any Collections of Scheduled Receivables are deposited, or assign any right to receive income in respect of any items contemplated by this Section (except as required by this Agreement).

5.13. **Extension or Amendment of Receivables; Changes to Contract.** Except as expressly provided by this Agreement, no Originator shall adjust the outstanding principal balance of, or otherwise modify the terms of, any of the Scheduled Receivables, or amend, modify or waive any term or condition of any related Contract; provided, that, notwithstanding any other provision of this Agreement, an Originator (x) may extend the Scheduled Due Date of any Scheduled Receivable, but in no event to a date later than the last day of the Yield Period for such Scheduled Receivable, unless such Originator repurchases such Scheduled Receivable in full on the original Distribution Date therefor; and (y) may grant a Dilution in respect of a Scheduled Receivable, so long as the amount of any such Dilution is paid in full by the Servicers no later than the last day of the Yield Period for such Scheduled Receivable. The Originators shall provide the Administrative Agent with prompt notice of any material modifications to the supply agreements that were in place with an Eligible Buyer at the date it became an Eligible Buyer.

5.14. **Status of Scheduled Receivables.** In the event that any third party and any Originator enter into negotiations or discussions concerning the provision of financing (whether in the form of a loan, purchase or otherwise) with respect to any Scheduled Receivable, such Originator shall inform such third party that the Originator has sold an undivided percentage ownership interest in such Scheduled Receivables to the Purchasers.

5.15. **Account Generation and Servicing Practices.** No Originator shall make any change or modification (or permit any change or modification to be made) in any material respect to the manner in which it generates and services Receivables from the manner in which such Originator generated and serviced Receivables prior to the date hereof, except (i) if such changes or modifications are necessary under any Requirement of Law, or (ii) if such changes or modifications would not have a Material Adverse Effect with respect to the Purchasers or the Administrative Agent and any such change shall be promptly notified by the affected Originator to the Administrative Agent.

5.16. **Inconsistent Instructions.** No Originator shall give any Eligible Buyer any instructions contrary to or inconsistent with the provisions contained in the Irrevocable Payment Instruction with respect to payments of Scheduled Receivables.

5.17 **Designation of New Eligible Buyers and New Originators.** If the Servicers wish to designate a Contingent Eligible Buyer as an Eligible Buyer (a "*New Eligible Buyer*"), they shall first notify the Administrative Agent of the designation of such customer as a New Eligible Buyer. Subject to (i) the prior written consent of the Required Purchasers to the addition of such New Eligible Buyer, (ii) determination of the applicable Obligor Limits and Applicable Margin for such New Eligible Buyer by Required Purchasers, (iii) compliance with the requirements for perfection of the ownership and security interest in the Receivables arising from sales to such Eligible Buyer, and bring-down legal opinions, in each case in form and substance satisfactory to the Administrative Agent and the Purchasers, and (iv) fulfillment by each Purchaser of the procedures specified in Section 5.17(b), such customer shall be deemed to be an Eligible Buyer for all purposes of this Agreement and the other Transaction Documents. The Servicers shall use their reasonable commercial efforts, consistent with their obligations of confidentiality, to provide such information concerning the New Eligible Buyers and their contractual relations with the relevant Originator as the Administrative Agent may reasonably request.

(a) In connection with their designation of a Contingent Eligible Buyer as a New Eligible Buyer hereunder, the Servicers shall request the establishment of Purchasers' Investment Limits in respect of such Contingent Eligible Buyer in an amount that, when added together with the then existing Purchasers' Investment Limits does not exceed \$400,000,000. At the time of sending such request, the Servicers (in consultation with the Administrative Agent) shall specify the time period within which each Purchaser is requested to respond (which shall in no event be less than 15 Business Days from the date of delivery of such request to the Purchasers). Each Purchaser shall determine, in its sole discretion, whether it will establish a Purchaser's Investment Limit in respect of such Contingent Eligible Buyer, and shall notify the Administrative Agent within such time period whether or not it agrees to establish such a Purchaser's Investment Limit, it being understood that each Purchaser must agree to establish a Purchaser's Investment Limit for such Contingent Eligible Buyer in an amount equal to its pro rata share of such requested amount for the Purchasers' Investments Limits to take effect with respect to such Purchaser; *provided, however*, that if any Purchaser declines to establish a Purchaser's Investment Limit accordingly (any such Purchaser being a "*Non-Increasing Purchaser*" with respect to such New Eligible Buyer), the other Purchasers may agree to increase their Purchaser's Investment Limits in respect of such Contingent Eligible Buyer by an aggregate amount equal to the full amount of what would have been such Non-Increasing Purchaser's pro rata share of the requested increase (no such increase by the other Purchasers being permitted in an aggregate amount of less than the full amount of such pro rata share). Any Purchaser not responding within such time period shall be deemed to have declined to establish a Purchaser's Investment Limit for such Contingent Eligible Buyer and shall constitute a Non-Increasing Purchaser with respect to such New Eligible Buyer.

(b) If the Purchasers agree to increase the Purchasers' Investment Limits in accordance with this Section, the Administrative Agent and the Servicers shall determine the effective date of such increase (an "*Increase Effective Date*") and promptly notify the Purchasers thereof. As a condition precedent to such increase, each Obligor shall deliver to the Administrative Agent a certificate (i) certifying that before and after giving effect to such increase, the representations and warranties contained in Article 3 are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date and except that this clause (i) shall be deemed to refer to the last day of the most recent fiscal quarter and year for which financial statements have been made available in respect of the representations and warranties made in Sections 3.1 and 3.2, and (ii) no Termination Event or Incipient Termination Event exists. The Administrative Agent shall distribute an amended Schedule 1.1A (which shall be deemed incorporated into this Agreement) to reflect the changes therein resulting from such increase.

No Purchaser which is a Non-Increasing Purchaser with respect to any New Eligible Buyer shall have any obligation to purchase any interest in Receivables of such New Eligible Buyer. No Collections or other amount payable in respect of Receivables of any Tranche shall be reduced on account of any other Tranche or any circumstance or condition relating to any other Tranche. No Purchaser in its capacity as a Tranche A Purchaser, Tranche B Purchaser, Tranche C Purchaser, Tranche D Purchaser or Purchaser in respect of any other Tranche shall have any obligation to share amounts received with Purchasers in respect of any other Tranche.

(c) If the Servicers wish to designate a Contingent Originator as an "Originator" hereunder (a "*New Originator*"), they shall first notify the Administrative Agent of the designation of such Contingent Originator as a New Originator. Subject to (i) the prior written consent of the Required Purchasers to the addition of such New Originator, (ii) compliance with the requirements for perfection of the ownership and security interest in the Receivables arising from sales by such New Originator, and legal opinions, certifications and documentation, in each case in form and substance satisfactory to the Administrative Agent and the Purchasers (including an amendment to the Guarantee to cover such New Originators and security agreements relating to Collections and related deposit accounts), and (iii) execution and delivery by such New Originator of an accession agreement in form and substance satisfactory to the Administrative Agent and the Purchasers, such Contingent Originator shall be deemed to be an Originator for all purposes of this Agreement and the other Transaction Documents.

SECTION 6. SERVICER OBLIGATIONS

6.1. Appointment of Servicer. Each of Sanmina-SCI, Sanmina Israel and Sanmina United Kingdom is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms hereof. Each of Sanmina-SCI, Sanmina Israel and Sanmina United Kingdom acknowledges that the Administrative Agent and the Purchasers have relied on their agreement to act as the Servicers hereunder in making their decision to execute and deliver this Agreement. Accordingly, none of Sanmina-SCI, Sanmina Israel, nor Sanmina United Kingdom shall voluntarily resign as a Servicer hereunder. In the event that a Termination Event has occurred and is continuing, the Administrative Agent may designate as Servicer any Person (including the Administrative Agent) to succeed Sanmina-SCI, Sanmina Israel and Sanmina United Kingdom as Servicer. The Servicers shall not be entitled to receive any fee for the performance of their servicing duties hereunder.

6.2. Duties of Servicers. The Servicers shall take or cause to be taken all action as may be necessary or advisable to collect each Scheduled Receivable from time to time, all in accordance with this Agreement and all applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with its standard credit and collection policies; provided, however, that the Servicers may not extend the Scheduled Due Date of any Scheduled Receivable without the prior written consent of the Administrative Agent except as otherwise permitted by Section 5.13 hereof. The Originators shall deliver to the Servicers and the Servicers shall hold for the benefit of the Purchasers in accordance with their respective interests, all records and documents (including computer tapes or disks) with respect to such Scheduled Receivables. Notwithstanding anything to the contrary contained herein, the Administrative Agent, with the consent of or at the direction of the Required Purchasers and the applicable Required Tranche Purchasers, may direct the Servicers to commence or settle any legal action to enforce collection of any Scheduled Receivable; provided, however, that the Servicers may decline to bring such legal action if within two days from such request they repurchase such Scheduled Receivable at its full face amount from the Purchasers.

6.3. Reporting Requirements. On each date that the Servicers instruct the Administrative Agent to apply proceeds held in the Collection Account after the Initial Purchase Date, the Servicers shall provide the Administrative Agent with a status report (the " *Servicers' Report* ") by telecopier in respect of the Collections of Scheduled Receivables, such Servicers' Report to be substantially in the form of Exhibit K hereto. If an Investment with respect to an undivided ownership interest purchased by the Purchasers remains outstanding on the last day of the Yield Period therefor, then the Servicers shall provide to the Administrative Agent in such report, in form and substance satisfactory to the Administrative Agent, detailed information with respect to the related Scheduled Receivables (including with respect to collection efforts relating thereto) as set forth in the form of Servicers' Report and as otherwise requested by the Administrative Agent. The Servicers shall render all assistance reasonably requested by the Administrative Agent in respect of collecting a Defaulted Receivable.

(a) The Servicers shall provide to the Administrative Agent as soon as possible and in any event within five Business Days after the occurrence of a Termination Event or Incipient Termination Event, a statement of a Responsible Officer of Sanmina-SCI setting forth details of such Termination Event or Incipient Termination Event and the action that the Servicers and the Originators have taken and propose to take with respect thereto.

(b) The Servicers shall provide to the Administrative Agent such other information respecting Scheduled Receivables or the condition or operations, financial or otherwise, of the Originators or any of their Affiliates, as the Administrative Agent may from time to time reasonably request (including listings identifying the outstanding balance of each Scheduled Receivable).

6.4. Deposit Requirements. The Servicers shall promptly, but in any event not later than two Business Days after receipt, transfer, or cause the Originators to transfer, Collections from the relevant Collection Accounts to the Payment Account and deposit such Collections in Dollars in the Payment Account.

SECTION 7. TERMINATION EVENTS AND REMEDIES

If any of the following events shall occur and be continuing:

(a) the Originators or the Servicers shall fail to pay or deposit any amount when due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Originator or the Servicers herein or in any other Transaction Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this

Agreement or any such other Transaction Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) any Originator or the Servicers shall default in the observance or performance of any agreement contained in Section 5.3(a)(i), Section 5.6(a), Section 5.7, Section 5.8, Section 5.9, Section 5.10, Section 5.12, Section 5.13 or Section 5.16 of this Agreement or the Servicers shall default in the observance or performance of any agreement contained in Section 6 of this Agreement;

(d) any Originator or the Servicers shall default in the observance or performance of any other agreement contained in this Agreement or any other Transaction Document (other than as provided in paragraphs (a) through (c) of this Section 7), and such default shall continue unremedied for a period of 30 days after notice to the Servicers from the Administrative Agent or the Required Purchasers; or

(e) any Originator or the Servicers shall (i) default in making any payment of any principal of any Indebtedness (including, without limitation, any Guarantee Obligation constituting Indebtedness) on the scheduled or original due date with respect thereto and such default continues beyond any applicable grace period; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, however, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute a Termination Event unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate \$50,000,000; or

(f) (i) any Originator or the Servicers shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, *concurso mercantil*, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, *concurso mercantil*, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Originator or the Servicers shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Originator or the Servicers any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 90 days; or (iii) there shall be commenced against any Originator or the Servicers any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 90 days from the entry thereof; or (iv) any Originator or the Servicers shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Originator or the Servicers shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) one or more judgments or decrees shall be entered against any Originator or the Servicers involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of \$5,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, satisfied, stayed or bonded pending appeal within 60 days from the entry thereof or

(h) An Event of Default occurs under Section 8.1(j) of the Bank of America Credit Agreement, without giving effect to any termination of such agreement; or

(i) (i) any of the Transaction Documents shall cease, for any reason, to be in full force and effect (other than in accordance with its terms or as agreed to by the Administrative Agent), or any Originator or a Servicer shall so assert, or (ii) any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(j) any Governmental Authority shall condemn, nationalize, seize or otherwise expropriate any substantial portion of the assets or the Capital Stock or other equity interests of Sanmina-SCI or any Originator or take any similar action by way of introduction of legislation or otherwise, and such action shall materially affect the ability of Sanmina-SCI to perform its obligations under any Transaction Document; or

(k) a Change of Control shall occur;

then, and in any such event, (A) if such event is a Termination Event specified in clause (i) or (ii) of paragraph (f) above or clause (i) of paragraph (i) above, automatically the Purchaser's Investment Limits shall immediately be reduced to zero and terminate, (B) if such event is any other Termination Event, with the consent of the applicable Required Tranche Purchasers, the Administrative Agent may, or upon the request of the applicable Required Tranche Purchasers, the Administrative Agent shall, by notice to the Servicers, declare the Purchaser's Investment Limits for the relevant Tranche to be reduced to zero and terminated forthwith and (C) in either event, the Administrative Agent may exercise all rights and remedies available to it under this Agreement, the Security Documents or at law, including, without limitation, the application of funds in the applicable Collection Accounts to pay any obligations of the Originators or the Servicers hereunder and under the other Transaction Documents.

SECTION 8. THE ADMINISTRATIVE AGENT

8.1. Appointment. Each Purchaser hereby irrevocably designates and appoints the Administrative Agent as the agent of such Purchaser under this Agreement and the other Transaction Documents, and each such Purchaser irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and the other Transaction Documents to which it is a party or by which it is bound and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Transaction Documents, together with such other powers as are reasonably incidental thereto, including, without limitation, (a) receiving all applicable notices referred to in this Agreement or in the other Transaction Documents on behalf of such Purchaser, (b) giving all applicable notices referred to in this Agreement or the other Transaction Documents to or on behalf of such Purchaser, (c) maintaining the Register pursuant to Sections 2.11 and 9.6 and (d) receiving payments and deposits (under Section 2.3 or otherwise) from the Originators and the Servicers, and giving release and acquittance therefor in accordance with the terms of this Agreement. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Transaction Documents, or any fiduciary relationship with any Purchaser, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent. The provisions of this Section 8 are solely for the benefit of the Administrative

Agent and its officers, directors, employees, agents, attorneys-in-fact and affiliates, and no other Person shall have any rights as a third party beneficiary of any of the provisions hereof. The Administrative Agent shall perform its obligations hereunder with reasonable care, using a degree of skill and attention no less than that which the Administrative Agent (i) exercises with respect to comparable duties that it performs when holding comparable assets for itself and (ii) exercises with respect to comparable administrative duties that it performs for comparable assets for others, and in a manner consistent with the standard of care exercised by similar administrators relating to the duties to be performed hereunder. The Administrative Agent shall have no obligations, duties or responsibilities except for those set forth in this Agreement.

8.2. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Transaction Documents by or through agents, custodians, nominees or attorneys-in-fact and shall be entitled to rely upon, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with, advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents, custodians, nominees or attorneys-in-fact selected by it with reasonable care.

8.3. Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Transaction Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have proximately resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any Person (including without limitation any of the Purchasers) for (A) any recitals, statements, representations or warranties made by any Person (other than an Agent or any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates) contained in this Agreement or any other Transaction Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Transaction Document, (B) the value, validity, effectiveness, genuineness, collectability, enforceability or sufficiency of this Agreement or any other Transaction Document, (C) any Liens or guarantees (including without limitation pursuant to any Guarantee Obligation) granted by, or purported to be granted by, any of the Security Documents or otherwise, (D) ascertaining or inquiring as to the existence or possible existence of any Termination Event, or (E) any failure of any party hereto or thereto (other than the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates) to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Purchaser to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, to inspect the properties, books or records of any Originator, or to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or applicable law. Anything in this Agreement to the contrary notwithstanding, in no event shall the Administrative Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Administrative Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

8.4. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon (i) any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and (ii) advice and statements of legal counsel (including, without limitation, counsel to any of the Originators), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Purchased Interest as the owner thereof for all purposes unless a written notice of assignment, negotiation or

transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Required Purchasers (or, if so specified by this Agreement, all Purchasers) as it deems appropriate or it shall first be indemnified to its satisfaction by the Purchasers against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Transaction Documents in accordance with a request of the Required Purchasers (or, if so specified by this Agreement, all Purchasers or the applicable Required Tranche Purchasers, as the case may be), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Purchasers and all future holders of the Purchased Interests.

8.5. Notice of Termination. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Incipient Termination Event or Termination Event unless the Administrative Agent has received notice from a Purchaser or an Originator referring to this Agreement, describing such Incipient Termination Event or Termination Event and stating that such notice is a "notice of termination." In the event that the Administrative Agent receives such a notice, the Administrative Agent shall promptly give notice thereof to the Purchasers. The Administrative Agent shall take such action with respect to such Incipient Termination Event or Termination Event as shall be reasonably directed by the Required Purchasers (or, if so specified by this Agreement, all Purchasers or the applicable Required Tranche Purchasers, as the case may be); *provided*, that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Incipient Termination Event or Termination Event as they shall deem advisable in the best interests of the Purchasers.

8.6. Non-Reliance on Administrative Agent and Other Purchasers. Each Purchaser expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including, without limitation, any review of the affairs of an Originator or any affiliate of an Originator, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Purchaser. Each Purchaser represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Purchaser, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Originators and their affiliates and made its own decision to make its purchases hereunder and enter into this Agreement and the other Transaction Documents to which it is a party or by which it is bound. Each Purchaser also represents and covenants that it will, independently and without reliance upon the Administrative Agent, any of its officers, directors, employees, agents, attorneys-in-fact or affiliates or any other Purchaser, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Originators and their respective affiliates. Except for notices, reports and other documents expressly required to be furnished to the Purchasers by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Purchaser with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Originator or any affiliate of an Originator that may come into the possession of the Administrative Agent, or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

8.7. **Indemnification.** The Purchasers agree to indemnify the Administrative Agent in its capacity as such and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates (to the extent not reimbursed by the Originators and without limiting the obligation of the Originators to do so), ratably according to its applicable Purchaser's Investment Percentage in effect on the date on which indemnification is sought under this Section 8.7 (or, if indemnification is sought after the date upon which the Purchaser's Investment Limits shall have terminated and the Purchased Interests shall have been paid in full, ratably in accordance with such applicable Purchaser's Investment Percentage immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever (including without limitation attorneys' fees and disbursements) that may at any time be imposed on, incurred by or asserted against the Administrative Agent and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates in any way relating to or arising out of, the Purchaser's Investment Limits, this Agreement, any of the other Transaction Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates under or in connection with any of the foregoing; *provided*, that no Purchaser shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's and/or its officers, directors, employees, agents, attorneys-in-fact or affiliates gross negligence or willful misconduct. If any indemnity furnished to the Administrative Agent for any purpose shall, in its opinion, be insufficient or become impaired, the Administrative Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished. None of the provisions of this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder or under any Transaction Document, or in the exercise of any of its rights or powers hereunder or thereunder, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it. In the case of any investigation, litigation or proceeding giving rise to any indemnification under this Section 8.7, this Section 8.7 applies whether any such investigation, litigation or proceeding is brought by the Administrative Agent, any Purchaser or a third party. The agreements in this Section 8.7 shall survive the payment of all amounts payable hereunder.

8.8. **Agent in Its Individual Capacity.** The Administrative Agent and its affiliates may make loans to, accept deposits from, act as trustee under indentures of, accept investment banking engagements from, and generally engage in any kind of business with any Originator as though such Agent were not an Agent and without any duty to account therefor to any other Person. With respect to its Purchased Interests, the Administrative Agent shall have the same rights and powers under this Agreement and the other Transaction Documents as any Purchaser and may exercise the same as though it were not an Agent, and the terms "Purchaser" and "Purchasers" shall include the Administrative Agent in its individual capacity.

8.9. **Successor Administrative Agent.** The Administrative Agent may resign as Agent upon 30 days' written notice to the Purchasers and the Servicer. If the Administrative Agent shall resign as Agent under this Agreement and the other Transaction Documents, then the Required Purchasers shall appoint from among the Purchasers a successor agent for the Purchasers, which successor agent shall (unless a Termination Event under Section 7(a) or Section 7(f) shall have occurred and be continuing, in which instance any such appointment shall be immediately effective and shall not require any prior notice to or approval of the Servicer or any other Person) be subject to approval by the Servicer (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent under this Agreement and the Transaction Documents (including without limitation the Security Documents), and the resigning Administrative

Agent shall be discharged from its duties and obligations under this Agreement and the Transaction Documents (including without limitation the Security Documents), and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Agent, any of the parties to this Agreement or any Transaction Document, or any holders of the Purchased Interests. If no successor agent has accepted appointment as Administrative Agent by the date that is 20 days following a resigning Agent's notice of resignation, the resigning Agent's resignation shall nevertheless thereupon become effective, and the Purchasers shall assume and perform all of the duties of such Agent hereunder until such time, if any, as the Required Purchasers appoint a successor agent as provided for above. After any resigning Administrative Agent's resignation as Agent, the provisions of this Section 8 shall continue to apply to it with respect to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Transaction Documents, including, without limitation, the liability of each such Agent under Section 8.3 for (and the exclusion from any liability of any Purchaser to indemnify any such Agent under Section 8.7 in respect of) any such actions or omissions that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct.

8.10. Determination Pursuant to Security Documents. In each circumstance where, under any provision of a Security Document or this Agreement, the Administrative Agent shall have the right to grant or withhold any consent, exercise any remedy, make any determination or direct any action by the Administrative Agent under such Security Document, the Administrative Agent shall act in respect of such consent, exercise of remedies, determination or action, as the case may be, only with the consent of and at the direction of the Required Purchasers unless unanimity or direction of the applicable Required Tranche Purchasers, as the case may be, is required by the relevant agreement; *provided, however*, that no such consent of the Required Purchasers shall be required with respect to any consent, determination or other matter that is, in the Administrative Agent's reasonable judgment, ministerial or administrative in nature or provided for in this Agreement, and provided that the Administrative Agent is hereby authorized on behalf of all of the Purchasers, without the necessity of any further consent from any Purchaser, from time to time prior to a Termination Event, to release portions of the Collateral from the security interests and Liens imposed by the Security Documents in connection with any dispositions of such portions of the Collateral permitted by the terms of this Agreement or the Security Documents or as may be required by law. In each circumstance where any consent of or direction from the Required Purchasers is required, the Administrative Agent shall send to the Purchasers a notice setting forth a description in reasonable detail of the matter as to which consent or direction is requested and the Administrative Agent's proposed course of action with respect thereto.

8.11. Merger of the Administrative Agent. Any Person into which the Administrative Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Administrative Agent shall be a party, or any Person succeeding to the business of the Administrative Agent shall be the successor hereunder and under the Transaction Documents of the Administrative Agent, without the execution or filing of any paper with any party hereto or thereto or any further act on the part of any of the parties hereto or thereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein or in any Transaction Document to the contrary notwithstanding.

SECTION 9. MISCELLANEOUS

9.1. Amendments and Waivers. Neither this Agreement, any other Transaction Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 9.1. The Required Purchasers, the applicable Required Tranche Purchasers and each Servicer and Originator party to the relevant Transaction Document may, or, with the written

consent of the Required Purchasers and the applicable Required Tranche Purchasers or the Administrative Agent, as the case may be, and each Servicer and Originator party to the relevant Transaction Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Transaction Documents or any Scheduled Receivables for the purpose of adding any provisions to this Agreement or the other Transaction Documents or any Scheduled Receivables or changing in any manner the rights of the Purchasers or of the Originators or the Obligor hereunder or thereunder or (b) waive, on such terms and conditions as the Required Purchasers and the applicable Required Tranche Purchasers and the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Transaction Documents or any Incipient Termination Event or Termination Event and its consequences; *provided*, *however*, that no such waiver and no such amendment, supplement or modification shall (i) forgive the face amount or extend the Scheduled Due Date of any Scheduled Receivable, reduce the stated rate or amount of any interest, Purchased Interest, Interest or fee payable hereunder or extend the scheduled date of any payment thereof, change any Purchaser's Investment Percentage, or increase the amount or extend the expiration date of, or otherwise change, any Purchaser's Investment Limit, in each case without the written consent of each Purchaser directly affected thereby; (ii) eliminate or reduce the voting rights of any Purchaser under this Section 9.1 without the written consent of such Purchaser; (iii) require or result in any requirement that a Tranche A Purchaser acquire Receivables in respect of which any entity other than the Tranche A Eligible Buyer is the account debtor or require, result in any requirement that a Tranche B Purchaser acquire Receivables in respect of which any entity other than the Tranche B Eligible Buyer is the account debtor, require or result in any requirement that a Tranche C Purchaser acquire Receivables in respect of which any entity other than the Tranche C Eligible Buyer is the account debtor or require or result in any requirement that a Tranche D Purchaser acquire Receivables in respect of which any entity other than the Tranche D Eligible Buyer is the account debtor; (iv) (A) reduce any percentage specified in the definition of Required Purchasers or Required Tranche Purchasers, (B) consent to the assignment or transfer by any Originator of any of its rights and obligations under this Agreement and the other Transaction Documents, (C) release any Obligor, the Guarantor or any Collateral (except as otherwise expressly permitted hereunder without such consent), (D) amend or modify any provision of any Transaction Document if the effect of such amendment or modification would be to permit Collections received in respect of any Tranche to be used to pay Receivables of, or any obligations relating to, any other Tranche, or (E) amend or modify the definition of "Obligations", "Scheduled Receivable", "Tranche A Receivable", "Tranche B Receivable", "Tranche C Receivable", "Tranche D Receivables", "Receivable" or "Eligible Receivable", "Tranche A Eligible Buyer", "Tranche B Eligible Buyer", "Tranche C Eligible Buyer", "Tranche D Eligible Buyer" or Sections 2.1, 2.2, 2.3, 2.6(a) or (b), 2.9, 5.13, 5.17 or 9.7 in this Agreement or "Secured Parties" in the Collateral Assignment Agreement, or amend, modify or waive Section 9 or any provision of the Guarantee, in each case without the written consent of all Purchasers; or (iv) amend, modify or waive any provision of Section 8 without the written consent of the Administrative Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Purchasers and shall be binding upon the Originators, the Purchasers, the Administrative Agent and all future holders of the Purchased Interests. In the case of any waiver, the Originators, the Purchasers and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Transaction Documents, and any Incipient Termination Event or Termination Event waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Incipient Termination Event or Termination Event, or impair any right consequent thereon.

9.2. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (i) if by hand, when delivered, (ii) if by air courier service, when delivered, or (iii) if by telecopy, when received by the addressee, addressed as follows in

the case of the Servicers and the other Originators, the Administrative Agent and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Purchasers, or to such other address as may be hereafter notified by the respective parties hereto:

Servicers
(for themselves and for each Originator):

7 West Nile Street
Glasgow, Scotland G12PR
Attention: Treasury Manager
Telecopy: 44-141-245-2882

With a copy to:

2300 Highway 79 South
P.O. Box 1900
Guntersville, AL 35976
Attention: Accounts Receivable Manager
Telecopy: (256) 505-4414

With a copy to:

Sanmina-SCI Corporation
2700 North First Street
San Jose, CA 95134
Attention: Treasurer
Telecopy: (408) 964-3644
Telephone: (408) 964-3500
Website: www.sanmina-sci.com

Administrative Agent:

Deutsche Bank AG, New York Branch
60 Wall Street
New York, New York 10005
Attention: Nancy Adamo, Carol Khan and Thomas
Sakellariou
Telecopy: 212-797-0473
Telephone: 212-250-9069/212-250-3086/212-250-4412

With a copy to:

Deutsche Bank Trust Company Americas
100 Plaza One
Jersey City, NJ 07302
Attention: Joe Cusmai
Telecopy: 201-593-2313
Telephone: 201-593-2202

provided that any notice, request or demand to or upon the Administrative Agent or the Purchasers shall not be effective until received.

9.3. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Originators, the Administrative Agent or any Purchaser, any right, remedy, power or privilege hereunder or under the other Transaction Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

9.4. **Survival of Representations and Warranties.** All representations and warranties made hereunder, in the other Transaction Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the purchases hereunder.

9.5. **Payment of Expenses and Taxes.** Except to the extent limited by other provisions of this Agreement or the other Transaction Documents, or any other documents prepared in connection therewith, the Originators jointly and severally agree (i) to pay or reimburse the Administrative Agent for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Transaction Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable and documented fees and disbursements of counsel to the Administrative Agent, with statements with respect to the foregoing to be submitted to the Servicers prior to the initial Purchase Date (in the case of amounts to be paid on the initial Purchase Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate; (ii) to pay or reimburse each Purchaser and the Administrative Agent for all their reasonable and documented costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Transaction Documents and any such other documents, including, without limitation, the reasonable and documented fees and disbursements of counsel to each Purchaser and of counsel to the Administrative Agent; (iii) to pay, indemnify, and hold each Purchaser and the Administrative Agent harmless from, any and all documented recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Transaction Documents and any such other documents; and (iv) to indemnify and hold harmless each Indemnified Person from and against any and all reasonable and documented Indemnified Amounts to which any such Indemnified Person may become subject arising out of or in connection with (1) the execution, delivery, enforcement, performance and administration of this Agreement, the other Transaction Documents and any such other documents, (2) the use of the proceeds of the Purchased Interests, and (3) any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any Indemnified Person is a party thereto, and to reimburse each Indemnified Person upon demand for any reasonable legal or other reasonable and documented expenses incurred in connection with investigating or defending any of the foregoing; *provided* that the foregoing indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent they are found by a final, non-appealable judgment of a court to arise from the willful misconduct or gross negligence of such Indemnified Person. All amounts due under this Section 9.5(a) shall be payable not later than 10 Business Days after written demand therefor. Statements payable by an Originator pursuant to this Section 9.5(a) shall be submitted to the address of the Servicers set forth in Section 9.2, or to such other Person or address as may be hereafter designated by the Servicers in a written notice to the Administrative Agent. The agreements in this Section 9.5(a) shall survive payment of all amounts payable hereunder.

(a) Each Indemnified Person under the provisions of Section 9.5(a) will, upon the service of a summons or other initial legal process upon it in any action or suit instituted against it or upon its receipt of written notification of the commencement of any investigation or inquiry of, or proceeding against, it in respect of which indemnity may be sought on account of the provisions contained in Section 9.5(a), promptly give written notice (the "Notice") of such service or notification to the Servicers. Notwithstanding the foregoing, the omission so to notify the Servicers of any such service or notification shall not relieve the Originators from any of the obligations

under Section 9.5(a) that the Originators may have to the indemnified person, except to the extent the Originators have been materially prejudiced thereby. The Originators shall not be liable for any settlement of any such action, suit or proceeding effected without their prior written consent (which consent shall not unreasonably be withheld), but if settled with their prior written consent or if there be a final judgment for the plaintiff in any such action, suit or proceeding, the Originators agree to indemnify and hold harmless any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. The Originators shall not, without the prior written consent of the Indemnified Person (which consent shall not unreasonably be withheld or delayed), effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is a party or in respect of which indemnity could have been sought under the preceding paragraph by such Indemnified Person unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding.

9.6. Successors and Assigns; Participations and Assignments. Subject to the provisions of this Section 9.6, this Agreement shall be binding upon and inure to the benefit of the Originators, the Servicers, the Purchasers, the Lead Arranger, the Administrative Agent, all future holders of the Purchased Interests and their respective successors and assigns, except that no Originator or the Servicers (in its capacity as such) may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Purchaser.

(a) Any Purchaser may, without the consent of the Servicers, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a "*Participant*") participating interests in any Purchased Interest owing to such Purchaser, any Purchaser's Investment Limits of such Purchaser or any other interest of such Purchaser hereunder and under the other Transaction Documents. In the event of any such sale by a Purchaser of a participating interest to a Participant, such Purchaser's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Purchaser shall remain solely responsible for the performance thereof, such Purchaser shall remain the holder of any such Purchased Interest for all purposes under this Agreement and the other Transaction Documents, and the Servicers, the Administrative Agent shall continue to deal solely and directly with such Purchaser in connection with such Purchaser's rights and obligations under this Agreement and the other Transaction Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Transaction Document, or any consent to any departure by any Originator therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of the Purchased Interests or any fees payable hereunder, or postpone the Scheduled Due Date of the Purchased Interests, in each case to the extent subject to such participation. The Originators agree that each Participant shall be entitled to the benefits of Sections 2.7, 2.8 and 2.9 with respect to its participation in the Purchaser's Investment Limits and the Purchased Interests outstanding from time to time as if it was a Purchaser; *provided* that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Purchaser would have been entitled to receive in respect of the amount of the participation transferred by such transferor Purchaser to such Participant had no such transfer occurred.

(b) Any Purchaser (an "*Assignor*") may, in accordance with applicable law, at any time and from time to time assign to any Purchaser or any Purchaser Affiliate or, with the prior written consent of the Servicers and the Administrative Agent (which, in each case, shall not be unreasonably withheld or delayed), to an additional bank, financial institution or other entity (an "*Assignee*") all or any part of its rights and obligations under this Agreement and the other Transaction Documents pursuant to an Assignment and Acceptance, executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and

delivered to the Administrative Agent for its acceptance and recording in the Register; *provided* that such Assignee of a Purchaser's Investment Limit to Sanmina Mexico represents for the benefit of Sanmina Mexico to the effect set forth in Section 2.8(d); and *provided further*, however, that unless otherwise agreed by the Servicers and the Administrative Agent, no such assignment to an Assignee (other than any Purchaser or any Purchaser Affiliate) shall be in an aggregate principal amount of less than \$5,000,000, in each case except in the case of an assignment of all of a Purchaser's interests under this Agreement or an assignment in connection with the replacement of a Purchaser pursuant to Section 2.10. For purposes of the proviso contained in the preceding sentence, the amount described therein shall be aggregated in respect of each Purchaser and its Purchaser Affiliates, if any. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Purchaser hereunder with a Purchaser's Investment Limits and/or Investment as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 2.7, 2.8, 2.9 and 9.5 for the period of time it was a Purchaser hereunder); *provided* that no Assignee shall be entitled to receive any greater amount pursuant to Section 2.7, 2.8 or 2.9 than the Assignor would have been entitled to receive in respect of the portion of the rights and obligations assigned by such Assignor to such Assignee had no such assignment occurred. Notwithstanding any provision of this Section 9.6, the consent of the Servicers shall not be required for any assignment that occurs when a Termination Event shall have occurred and be continuing (although in such event, the proviso in the immediately preceding sentence shall continue in full force and effect).

(c) The Administrative Agent shall, on behalf of the Servicers, maintain at its address referred to in Section 9.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Purchasers and the Purchaser's Investment Limit of, and the amount of the Purchased Interests owing to, each Purchaser from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Servicers, each Originator, the Administrative Agent and the Purchasers shall treat each Person whose name is recorded in the Register as the owner of the Purchased Interests recorded therein for all purposes of this Agreement. Any assignment of any Purchased Interest, shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by any Purchaser or Originator at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 9.6(c), together with payment to the Administrative Agent of a registration and processing fee of \$4,000 (which shall be the sole responsibility of the Assignor or Assignee, as the case may be), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto.

(e) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 9.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by a Purchaser to any Federal Reserve Bank in accordance with applicable law.

9.7. Adjustments; Set-off. Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Purchaser, if any Tranche A Purchaser, Tranche B Purchaser, Tranche C Purchaser or Tranche D Purchaser, as the case may be (a " *Benefitted Purchaser* ") shall receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 7(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Tranche A Purchaser, Tranche B Purchaser, Tranche C Purchaser or Tranche D Purchaser, if any, respectively, in respect of the Obligations owing to such other Purchaser, such Benefitted Purchaser shall purchase for cash from the other Tranche A, Tranche B, Tranche C or Tranche D Purchasers, as the case may be, a participating interest in such portion of the Obligations owing to each such other Tranche A, Tranche B Purchaser, Tranche C Purchaser or Tranche D Purchaser, as the case may be, or shall provide such other Purchasers with the benefits of any such collateral, as shall be necessary to cause such Benefitted Purchaser to share the excess payment or benefits of such collateral ratably with each of the applicable Purchasers; *provided, however*, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Purchaser, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(a) In addition to any rights and remedies of the Purchasers provided by law, each Purchaser shall have the right, without prior notice to the Originators, any such notice being expressly waived by the Originators to the extent permitted by applicable law, upon any amount becoming due and payable by the Originators hereunder, to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Purchaser or any branch or agency thereof to or for the credit or the account of the Originators, as the case may be. Each Purchaser agrees promptly to notify the Servicers and the Administrative Agent after any such setoff and application made by such Purchaser; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

9.8. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Servicer and the Administrative Agent.

9.9. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.10. Integration. This Agreement and the other Transaction Documents, together with the Fee Letters, represent the entire agreement of the Originators, the Servicers, the Administrative Agent, the Lead Arranger and the Purchasers with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, the Lead Arranger or any Purchaser relative to the subject matter hereof not expressly set forth or referred to herein or in the other Transaction Documents.

9.11. Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, EXCEPT THAT SECTION 2.3 HEREOF SHALL BE GOVERNED BY THE LAWS OF MEXICO

9.12. Submission To Jurisdiction; Waivers.

(a) each party to this Agreement hereby irrevocably and unconditionally submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Transaction Documents (except for the Mexican Deed of Assignment governed by the laws of Mexico) to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York sitting in the City of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) each party to this Agreement consents that any such action or proceeding may be brought in such courts and expressly and irrevocably waives (i) any objection that it may now or hereafter have to the venue of any such action, (ii) proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same and (iii) any right to any other jurisdiction that may apply by virtue of its present or future domicile, or for any other reason;

(c) each Originator and Servicer hereby irrevocably and unconditionally appoints CSC Corporation (the "*New York Process Agent*"), with an office on the date hereof at 1133 Avenue of the Americas, Suite 3100, New York, New York 10036, as its agent to receive on its behalf and on behalf of its property, service of copies of the summons and complaint and any other process that may be served in any such action or proceeding in any such New York State or U.S. federal court and agrees promptly to appoint a successor New York Process Agent in New York City (which successor New York Process Agent shall accept such appointment in writing prior to the termination, for any reason, of the appointment of the initial New York Process Agent) and promptly to provide written notice to the Administrative Agent of the appointment of such successor New York Process Agent. In any such action or proceeding in such New York State or U.S. federal court sitting in New York City, such service may be made on the Originators and the Servicers by delivering in person a copy of such process to the Originators and the Servicers in care of the appropriate New York Process Agent at such New York Process Agent's address, and a copy of such process shall be forwarded to the Originators and the Servicers at their respective addresses or transmission numbers set forth in Section 9.2. The Originators and the Servicers hereby irrevocably and unconditionally authorize and direct such New York Process Agent to accept such service on their behalf and promptly to forward a copy of such service to each Originator and Servicer;

(d) consents to service of process in the manner provided for notices in Section 9.2 and agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 9.12 any special, exemplary, punitive or consequential damages.

9.13. Waiver of Immunities. To the extent that any Originator or Servicer has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, each Originator and Servicer hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under this Agreement and the other Transaction Documents. Each Originator and Servicer hereby agrees that the waivers set forth in this Section 9.13 shall have the fullest extent permitted under the U.S. Foreign Sovereign Immunities Act of 1976 and are intended to be irrevocable and not subject to withdrawal for purposes of such Act.

9.14. Judgment Currency. The obligations of each Originator and Servicer under this Agreement and each other Transaction Documents and the obligations to make payments to the Administrative Agent or any Purchaser shall, notwithstanding any judgment in a currency (the "*judgment currency*") other than Dollars, be discharged only to the extent that on the Business Day following receipt by such party of any sum adjudged to be so due in the judgment currency, such party may in accordance with normal banking procedures purchase Dollars with the judgment currency. If the amount of Dollars so purchased is less than the sum originally due to such party in Dollars, each Originator and Servicer agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such party against such documented loss, and if the amount of Dollars so purchased exceeds the sum originally due to any party to this Agreement or any other Transaction Document, such party agrees to remit promptly to the Servicers such excess.

9.15. Acknowledgements. Each Originator and Servicer hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Transaction Documents;

(b) none of the Administrative Agent or any Purchaser has any fiduciary relationship with or duty to any Originator arising out of or in connection with this Agreement or any of the other Transaction Documents, and the relationship between Administrative Agent and Purchasers, on one hand, and the Originators and Servicers, on the other hand, in connection herewith or therewith, is solely that of creditor and debtor; and

(c) no joint venture is created hereby or by the other Transaction Documents or otherwise exists by virtue of the transactions contemplated hereby among the Purchasers or among the Originators and the Purchasers.

9.16. Grant of Security Interest. To protect against the event that, notwithstanding the intention of the parties that the sale and assignment of all right, title and interest of the Originators in and to the Scheduled Receivables pursuant to this Agreement constitute a true sale, a court were to hold that such sale and assignment constitutes a secured financing arrangement rather than a true sale, but without derogating from the foregoing intention of the parties, each Originator hereby grants to the Administrative Agent for the benefit of the Administrative Agent and the Purchasers as of the date of this Agreement a security interest under Article 9 of the UCC in all of the right, title and interest of the Originators in, to and under the Scheduled Receivables now existing and hereafter created as collateral security for all of the Obligations of the Originators under this Agreement and the other Transaction Documents, and solely for such purpose (i) the Administrative Agent shall have all of the rights and remedies of a secured party under the UCC, (ii) all of the provisions of this Agreement shall be construed *mutatis mutandis* to grant such a security interest, (iii) the Scheduled Receivables constitute either "accounts" or "general intangibles" under the UCC and (iv) this Agreement shall constitute a security agreement under New York law.

9.17. WAIVERS OF JURY TRIAL. THE ORIGINATORS, THE SERVICERS, THE ADMINISTRATIVE AGENT AND THE PURCHASERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

9.18. Confidentiality. Each Purchaser and the Administrative Agent agrees (which agreement shall survive the termination of this Agreement) that financial information, information from the Originators' or Sanmina-SCI's respective books and records, information concerning the Originators' or Sanmina-SCI's respective trade secrets and patents and any other information received from the Originators or the Guarantor hereunder which at the time of receipt is clearly labeled as confidential and subject to this Section 9.18 shall be treated as confidential by such Purchaser and the

Administrative Agent, and the Administrative Agent and each Purchaser agrees to use its reasonable best efforts to ensure that such information is not published, disclosed or otherwise divulged to anyone other than employees or officers of such Purchaser or the Administrative Agent or any of their respective Affiliates that need to know and its counsel and agents; provided it is understood that the foregoing shall not apply to:

(i) disclosure made with the prior written authorization of the Originators or the Guarantor;

(ii) disclosure of information (other than that received from the Originators or the Guarantor prior to or under this Agreement) already known by, or in the possession of such Purchaser or the Administrative Agent without restrictions on the disclosure thereof at the time such information is supplied to such Purchaser or the Administrative Agent by the Originators or the Guarantor hereunder;

(iii) disclosure of information which is required by applicable law or required by a Governmental Authority having supervisory authority over any party hereto;

(iv) disclosure of information limited to the minimum extent necessary or advisable in connection with any suit, action or proceeding in connection with the enforcement of rights hereunder or under any Transaction Document or in connection with the transactions contemplated hereby or thereby;

(v) disclosure to any bank (or other financial institution) which may acquire a participation or other interest in the Scheduled Receivables or rights of any Purchaser hereunder or under the other Transaction Documents; *provided*, that such bank (or other financial institution) agrees to maintain any such information to be received in accordance with the provisions of this Section 9.18;

(vi) disclosure by any party hereto to any other party hereto or their counsel or accountants, *provided*, that such counsel or accountants agree to maintain the confidentiality of such information in accordance with the restrictions of this Section 9.18;

(vii) disclosure by any party hereto to its Affiliates subject to the confidentiality obligations of this Section; or

(viii) disclosure of information that prior to such disclosure has become public knowledge through no violation of this Agreement.

(b) Each Originator and Servicer agrees to treat as confidential all information supplied by Deutsche Bank AG to structure and arrange the facility hereunder, and shall ensure that such information is not published, disclosed or otherwise divulged to anyone other than employees or officers of the Originators and the Servicers, that need to know and their counsel and agents; *provided* it is understood that the foregoing shall not apply to:

(i) disclosure made with the prior written authorization of Deutsche Bank AG;

(ii) disclosure of information which is required by applicable law or to a Governmental Authority having supervision over any party hereto;

(iii) disclosure of any party hereto to any other party hereto or their counsel or accountants, *provided*, that said counsel or accountants agree to maintain the confidentiality of such information in accordance with the restrictions of this Section 9.18;

(iv) disclosure of information limited to the minimum extent necessary or advisable in connection with any suit, action or proceeding in connection with the enforcement of rights hereunder or under any Transaction Document or in connection with the transactions contemplated hereby or thereby;

- (v) disclosure by any party hereto to its Affiliates subject to the confidentiality obligations of this Section; or
- (vi) disclosure of information that prior to such disclosure has become public knowledge through no violation of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

SANMINA-SCI MAGYARORSZAG ELEKTRONIKAI
GYARTO KFT

By: /s/ Walter Boileau

Name: Walter Boileau
Title: Vice President and Treasurer

SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V.

By: /s/ Walter Boileau

Name: Walter Boileau
Title: Vice President and Treasurer

SANMINA-SCI CORPORATION

By: /s/ Walter Boileau

Name: Walter Boileau
Title: Vice President and Treasurer

SANMINA-SCI UK LTD.

By: /s/ Walter Boileau

Name: Walter Boileau
Title: Vice President and Treasurer

SANMINA-SCI ISRAEL MEDICAL SYSTEMS LTD.

By: /s/ Walter Boileau

Name: Walter Boileau
Title: Vice President and Treasurer

DEUTSCHE BANK AG, NEW YORK BRANCH, as
Administrative Agent

By: /s/ Nancy Adamo

Name: Nancy Adamo
Title: Vice President

By: /s/ Stephen Atallah

Name: Stephen Atallah
Title: Managing Director

PURCHASERS' INVESTMENT LIMITS

Tranche	Purchaser	Investment Limit	Percentage of Tranche
A	Deutsche Bank AG	\$ 35,000,000.00	100%
B	Deutsche Bank AG	\$ 142,500,000	100%
C	Deutsche Bank AG	\$ 100,000,000	100%
D	Deutsche Bank AG	\$ 95,000,000	100%

Obligor Limits

IBM de México Comercialización y Servicios S.A. de C.V.	\$	35,000,000
Lenovo (Singapore) PTE Ltd.	\$	150,000,000
IBM Corporation	\$	100,000,000
IBM Singapore PTE Ltd.	\$	100,000,000

Applicable Percentages

Tranche A	100%
Tranche B	95%
Tranche C	100%
Tranche D	95%

Schedule 1.1D

Sanmina-SCI Haukipudas Oy	Finland
Sanmina-SCI Enclosure Systems Oy	Finland
Sanmina Enclosure Systems Hungary	Hungary
Sanmina-SCI Systems Singapore PTE. Ltd	Singapore
Sanmina-SCI Israel Medical Systems Ltd	Israel
Sanmina-SCI Eskilstuna AB	Sweden
Sanmina-SCI Systems Canada, Inc.	Canada

1. Filings with the SEC required under applicable securities laws.
 2. Consents of Eligible Buyers that have been or will be obtained prior to the sale of Scheduled Receivables in respect thereof.
-

**ACTIONS TO PERFECT OWNERSHIP AND SECURITY INTERESTS IN SCHEDULED
RECEIVABLES AND COLLATERAL**

United States

A UCC-1 financing statement setting forth the applicable information regarding Sanmina Hungary and Sanmina Mexico, as debtors, and the relevant Scheduled Receivables, shall have been filed with the District of Columbia Recorder of Deeds, Washington, D.C. Sanmina Hungary and Sanmina Mexico have entered into an agreement with the Administrative Agent giving the Administrative Agent "control" (as such term is defined in Article 9 of the UCC) over the Collection Accounts.

Hungary

A Hungarian Receivables Transfer Agreement shall have been duly executed and delivered in respect of the Scheduled Receivables to be sold on a Purchase Date.

Mexico

A Mexican Deed of Assignment shall have been duly executed and delivered as a notarial deed in Mexico in respect of the Scheduled Receivables to be sold on a Purchase Date, and (i) in the case of the Tranche A Receivables, the Notification shall have been delivered to the relevant Eligible Buyer before a notary public, who shall issue the corresponding *acta* evidencing such delivery and (ii) in the case of the Tranche B Receivables and Tranche C Receivables, the Notification shall have been delivered to the relevant Eligible Buyer before two witnesses having legal capacity.

Principal Place of Business of the Originators:

Sanmina Hungary:
tH-2800 Tatabanya
Kota Jozsef u. hrsz
Tatabanya, Hungary 11809/4

Sanmina Mexico:
Carretera al Castillo
No. 2100 Int. 7-A
El Salto, Jalisco
Mexico 45680

COLLATERAL ASSIGNMENT AGREEMENT

Dated as of September 21, 2007
among

SANMINA-SCI MAGYARORSZAG ELEKTRONIKAI GYARTO KFT

and

SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V.

as Assignors,

and

DEUTSCHE BANK TRUST AG, NEW YORK BRANCH,

as Administrative Agent

AMENDED AND RESTATED COLLATERAL ASSIGNMENT AGREEMENT, dated as of September 21, 2007 (this "Agreement"), among Sanmina-SCI Magyarország Elektronikai Gyártó Kft, a Hungarian limited liability company, Sanmina-SCI Systems de Mexico, S.A. de C.V., a Mexican sociedad anónima de capital variable (each, an "Assignor" and collectively, the "Assignors") and DEUTSCHE BANK AG, NEW YORK BRANCH, as administrative agent for the Purchasers (as defined below) (in such capacity, and together with its successors in such capacity, the "Administrative Agent").

WITNESSETH:

WHEREAS, the Assignors have entered into a Revolving Trade Receivables Purchase Agreement dated as of September 21, 2007 (as amended, restated, supplemented or otherwise modified on or prior to the date hereof and from time to time hereinafter, the "Receivables Purchase Agreement") among the Assignors, Sanmina-SCI Corporation, Sanmina-SCI UK Limited and Sanmina-SCI Israel Medical Systems Ltd., as Servicers, Deutsche Bank AG, New York Branch, as Administrative Agent, and the several banks and other financial institutions parties thereto as Purchasers;

WHEREAS, the Scheduled Receivables are required to be paid into the Collection Accounts and transferred to the Payment Account (defined below);

WHEREAS, other Obligations of the Assignors are required to be paid from time to time under the Receivables Purchase Agreement by transfer thereof to the Payment Account of the Administrative Agent when due and payable;

WHEREAS, the Assignors will instruct the Eligible Buyers to make payments in respect of the Scheduled Receivables into the respective Collection Accounts and the Servicers will cause the transfer of such amounts to the Payment Account, and the Assignors shall make such other payment of Obligations to the Administrative Agent using funds accumulating in the Collection Accounts, whatever their source;

WHEREAS, to induce the Purchasers to enter into the Receivables Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Assignor has agreed to pledge and grant a security interest in the Collateral as security for the Obligations;

NOW, THEREFORE, the parties hereto hereby agree as follows:

Section 1. *Definitions.* Unless otherwise specified herein, capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Receivables Purchase Agreement.

Section 2. *Assignment and Grant of Security Interest.*

(a) *Assignment and Grant of Security Interest; Collateral.* As collateral security for the prompt payment in full when due of the Tranche A Obligations, each Assignor hereby assigns, and pledges and grants to the Administrative Agent, for the benefit of the Tranche A Purchasers, a security interest in, all of its right, title and interest in and to the following property, whether now owned by such Assignor or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as the "Tranche A Collateral"):

(i) the Tranche A Collection Accounts and all funds and investment property (as defined in the Uniform Commercial Code) held therein and all certificates and instruments (as defined in the Uniform Commercial Code), if any, from time to time representing or evidencing the Tranche A Collection Accounts or such funds; and

(ii) all proceeds (including insurance proceeds), products, accessions, rents, profits, income, benefits, substitutions and replacements of and to any of the property described in the preceding clause of this Section 2 (including, without limitation, all causes of action, claims and warranties

now or hereafter held by the Assignors in respect of any of the items listed above and all cash proceeds of any collection or other realization of all or any part of the Tranche A Collateral pursuant to this Agreement).

The Administrative Agent shall have "control" (within the meaning of Sections 8-106(d) and 9-106(a) of the UCC) of each Tranche A Collection Account until the indefeasible payment in full of the Tranche A Obligations, on the terms and subject to the conditions contained herein and in the Collateral Account Agreement.

(b) As collateral security for the prompt payment in full when due of the Tranche B Obligations, each Assignor hereby assigns, and pledges and grants to the Administrative Agent, for the benefit of the Tranche B Purchasers, a security interest in, all of its right, title and interest in and to the following property, whether now owned by such Assignor or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as the "*Tranche B Collateral* "):

(i) the Tranche B Collection Accounts and all funds and investment property (as defined in the Uniform Commercial Code) held therein and all certificates and instruments (as defined in the Uniform Commercial Code), if any, from time to time representing or evidencing the Tranche B Collection Accounts or such funds; and

(ii) all proceeds (including insurance proceeds), products, accessions, rents, profits, income, benefits, substitutions and replacements of and to any of the property described in the preceding clause of this Section 2 (including, without limitation, all causes of action, claims and warranties now or hereafter held by the Assignors in respect of any of the items listed above and all cash proceeds of any collection or other realization of all or any part of the Tranche B Collateral pursuant to this Agreement).

The Administrative Agent shall have "control" (within the meaning of Sections 8-106(d) and 9-106(a) of the UCC) of each Tranche B Collection Account until the indefeasible payment in full of the Tranche B Obligations, on the terms and subject to the conditions contained herein and in the Collateral Account Agreement.

(c) As collateral security for the prompt payment in full when due of the Tranche C Obligations, each Assignor hereby assigns, and pledges and grants to the Administrative Agent, for the benefit of the Tranche C Purchasers, a security interest in, all of its right, title and interest in and to the following property, whether now owned by such Assignor or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as the "*Tranche C Collateral* "):

(i) the Tranche C Collection Accounts and all funds and investment property (as defined in the Uniform Commercial Code) held therein and all certificates and instruments (as defined in the Uniform Commercial Code), if any, from time to time representing or evidencing the Tranche C Collection Accounts or such funds; and

(ii) all proceeds (including insurance proceeds), products, accessions, rents, profits, income, benefits, substitutions and replacements of and to any of the property described in the preceding clause of this Section 2 (including, without limitation, all causes of action, claims and warranties now or hereafter held by the Assignors in respect of any of the items listed above and all cash proceeds of any collection or other realization of all or any part of the Tranche C Collateral pursuant to this Agreement).

The Administrative Agent shall have "control" (within the meaning of Sections 8-106(d) and 9-106(a) of the UCC) of each Tranche C Collection Account until the indefeasible payment in full of the Tranche C Obligations, on the terms and subject to the conditions contained herein and in the Collateral Account Agreement.

(d) As collateral security for the prompt payment in full when due of the Tranche D Obligations, each Assignor hereby assigns, and pledges and grants to the Administrative Agent, for the benefit of the Tranche D Purchasers, a security interest in, all of its right, title and interest in and to the following property, whether now owned by such Assignor or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as the "*Tranche D Collateral*"):

(i) the Tranche D Collection Accounts and all funds and investment property (as defined in the Uniform Commercial Code) held therein and all certificates and instruments (as defined in the Uniform Commercial Code), if any, from time to time representing or evidencing the Tranche D Collection Accounts or such funds; and

(ii) all proceeds (including insurance proceeds), products, accessions, rents, profits, income, benefits, substitutions and replacements of and to any of the property described in the preceding clause of this Section 2 (including, without limitation, all causes of action, claims and warranties now or hereafter held by the Assignors in respect of any of the items listed above and all cash proceeds of any collection or other realization of all or any part of the Tranche D Collateral pursuant to this Agreement).

The Administrative Agent shall have "control" (within the meaning of Sections 8-106(d) and 9-106(a) of the UCC) of each Tranche D Collection Account until the indefeasible payment in full of the Tranche D Obligations, on the terms and subject to the conditions contained herein and in the Collateral Account Agreement.

Section 3. *Cash Proceeds.*

(a) *Collection Accounts.* Cash proceeds of any of the Tranche A Receivables (including Defaulted Receivables) shall be paid into the applicable Tranche A Collection Account for further transfer to the Payment Account for payment to the Tranche A Purchasers. The parties hereto acknowledge and agree that the balance from time to time in the Tranche A Collection Accounts shall not constitute payment of the Tranche A Obligations until applied as provided in accordance with the Collateral Account Agreement and the Receivables Purchase Agreement.

(i) Cash proceeds of any of the Tranche B Receivables (including Defaulted Receivables) shall be paid into the applicable Tranche B Collection Account for further transfer to the Payment Account for payment to the Tranche B Purchasers. The parties hereto acknowledge and agree that the balance from time to time in the Tranche B Collection Accounts shall not constitute payment of the Tranche B Obligations until applied as provided in accordance with the Collateral Account Agreement and the Receivables Purchase Agreement.

(ii) Cash proceeds of any of the Tranche C Receivables (including Defaulted Receivables) shall be paid into the applicable Tranche C Collection Account for further transfer to the Payment Account for payment to the Tranche C Purchasers. The parties hereto acknowledge and agree that the balance from time to time in the Tranche C Collection Accounts shall not constitute payment of the Tranche C Obligations until applied as provided in accordance with the Collateral Account Agreement and the Receivables Purchase Agreement.

(iii) Cash proceeds of any of the Tranche D Receivables (including Defaulted Receivables) shall be paid into the applicable Tranche D Collection Account for further transfer to the Payment Account for payment to the Tranche D Purchasers. The parties hereto acknowledge and agree that the balance from time to time in the Tranche D Collection Accounts shall not constitute payment of the Tranche D Obligations until applied as provided in accordance with the Collateral Account Agreement and the Receivables Purchase Agreement.

(iv) *Assignor Receipt of Proceeds.* Each Assignor agrees that if the proceeds of any Scheduled Receivable shall be received by it other than in the applicable Collection Accounts, it shall

immediately notify (which notification shall not be required during the Ramp-Up Period) the Administrative Agent in writing of such receipt and shall as promptly as possible deposit such proceeds into the Payment Account. Until so deposited, all such proceeds shall be held in trust by such Assignor and as the property of the Administrative Agent.

Section 4. *Further Assurances; Remedies.*

In furtherance of the grant of the pledge and security interest pursuant to Section 2 hereof, each Assignor hereby agrees with the Administrative Agent as follows:

(a) *Delivery and Other Perfection.* The Assignors shall:

(i) give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or desirable (in the reasonable judgment of the Administrative Agent) to create, preserve, perfect or validate any portion of the security interest granted pursuant hereto or to enable the Administrative Agent to exercise and enforce its rights hereunder with respect to such pledge and security interest;

(ii) keep full and accurate in all material respects books and records relating to the Collateral, and take such other actions as the Administrative Agent may reasonably require in order to reflect the security interests granted by this Agreement;

(iii) permit employees of the Administrative Agent, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and forward to the Administrative Agent copies of any notices or communications received by any Assignor with respect to the Collateral, all in such manner as the Administrative Agent may require;

(iv) at any time following the occurrence and during the continuation of a Termination Event, upon request of the Administrative Agent, promptly notify (and each Assignor hereby authorizes the Administrative Agent so to notify) each Obligor in respect of any Scheduled Receivable that such Receivable has been sold, assigned and transferred to the Purchasers; and

(v) execute and deliver Irrevocable Payment Instructions to each proposed Eligible Buyer in respect of each group of Scheduled Receivables in the form contemplated by the Receivables Purchase Agreement.

Notwithstanding anything to the contrary in this Section 4.1, no Assignor shall be required to disclose, permit the inspection, examination or making extracts, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent is then prohibited by law, rule, regulation, statute or ordinance or any agreement binding on such Assignor, Sanmina-SCI or any other Subsidiary of Sanmina-SCI, or (iii) is subject to attorney-client or similar privilege or constitutes attorney work product.

(b) *Preservation of Rights.* Each Assignor shall defend the Collateral against all Liens and demands of all Persons at any time claiming the same or any interest therein adverse to the Administrative Agent. Each Assignor will advise the Administrative Agent or the Purchasers promptly in reasonable detail of any Lien (other than the security interests under this Agreement and the other Transaction Documents) on any of the Collateral that would adversely affect the ability of the Administrative Agent or the Purchasers to exercise any of their respective remedies hereunder, under the Collateral Account Agreement or under the Receivables Purchase Agreement.

(c) *Termination Event, Etc.* During the period during which a Termination Event shall have occurred and be continuing, the Administrative Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to exercise all powers of ownership pertaining to the Tranche A Collateral, the Tranche B Collateral, the Tranche C Collateral or the Tranche D Collateral, as the case may be, as if the Administrative Agent were the sole and absolute owner thereof (and each Assignor agrees to take all such action as may be appropriate to give effect to such right).

(d) *Attorney-in-Fact.*

(i) Without limiting any rights or powers granted by this Agreement to the Administrative Agent, effective upon the occurrence and during the continuance of any Termination Event, the Administrative Agent shall be appointed the attorney-in-fact of each Assignor (and each Assignor hereby agrees to maintain in effect such a power of attorney until all amounts under the Purchased Interests have been paid in full) with full power and authority in the place and stead of each Assignor, in the name of each Assignor or in its own name, for the purpose of carrying out the terms of this Agreement and taking any action and executing any documents and instruments that Administrative Agent may deem necessary or advisable to accomplish the purposes of this Agreement, which appointment as attorney-in-fact shall be irrevocable and coupled with an interest. Each Assignor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof consistent with the rights and obligations of said attorneys under this Agreement, except in the case of gross negligence or willful misconduct of said attorneys.

(ii) Each Assignor hereby acknowledges and agrees that in acting pursuant to this power-of-attorney, the Administrative Agent shall be acting in its own interest, and each Assignor acknowledges and agrees that neither the Administrative Agent nor any Purchaser, as secured parties under this Agreement (collectively, the "Secured Parties"), shall have any fiduciary or other duties to the Assignors, and each Assignor hereby waives any claims to the rights of a beneficiary of a fiduciary relationship hereunder.

(e) *Termination.* Upon receipt of evidence satisfactory to the Administrative Agent that all of the Scheduled Receivables and all other Obligations and amounts payable or required to be deposited by the Assignors under the Transaction Documents shall have been paid or deposited in full, this Agreement shall terminate, and the Administrative Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the relevant Assignor. The Administrative Agent shall also execute and deliver to the Assignors upon such termination such Uniform Commercial Code termination statements and such other documentation as shall be reasonably requested and prepared by the Assignors to effect the termination and release of the Liens on the Collateral.

(f) *Further Assurances.* Each Assignor agrees that, from time to time upon the written request of the Administrative Agent, it will promptly execute and deliver such further documents and do such other acts and things as the Administrative Agent may reasonably request in order fully to effect the purposes of this Agreement and the pledge of the Collateral hereunder.

(g) *Waiver; Deficiency.* Each Assignor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any counsel employed by the Administrative Agent or any Purchaser to collect such deficiency.

(h) *Execution of Financing Statements.* Pursuant to the Uniform Commercial Code and any other applicable law, each Assignor authorizes the Administrative Agent to file or record UCC Financing Statements and other filing or recording documents or instruments with respect to the Collateral without the signature of the Assignors in such form and in such offices as the Administrative Agent determines appropriate to perfect its security interest under this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

Section 5. *Miscellaneous.*

(a) *Authority of Administrative Agent.* Each Assignor acknowledges that the rights and responsibilities of the Administrative Agent under the Transaction Documents with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, right, request, judgment or other right or remedy provided for herein or therein or resulting or arising out of the Transaction Documents shall, as between the Administrative Agent and the Purchasers, be governed by the Agency Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Assignors, the Administrative Agent shall be conclusively presumed to be acting as Administrative Agent for the Purchasers with full and valid authority so to act or refrain from acting, and the Assignors shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

(b) *Assignors Remain Liable.* Anything herein to the contrary notwithstanding, each Assignor shall remain liable under each of the Transaction Documents to observe and perform all the conditions and obligations to be observed and performed by it thereunder. Neither the Administrative Agent, the Administrative Agent nor the Purchasers shall have any obligation or liability under any Receivable by reason of or arising out of this Agreement or the receipt by the Administrative Agent or the Purchasers of any payment relating thereto, nor shall the Administrative Agent or the Purchasers be obligated in any manner to perform any of the obligations of the Assignors under or pursuant to any Receivable to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(c) *Notices.* All notices, requests and demands to or upon the Assignors or the Administrative Agent to be effective shall be in writing (including by telecopy) and shall be deemed to have been duly given or made (a) if by hand, when delivered or (b) if by telecopy or by courier, when received by the addressee, addressed to such party at its address or transmission number for notices provided in Section 9.2 of the Receivables Purchase Agreement. The Administrative Agent and each Assignor may change their addresses and transmission numbers for notices by notice in the manner provided in this Section 5.3.

(d) *Amendments; No Waiver; Cumulative Remedies.* Subject to Section 9.1 of the Receivables Purchase Agreement, none of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Assignors and the Administrative Agent.

(i) No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Administrative Agent or any Purchaser, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(ii) The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any other rights, remedies, powers and privileges provided by law.

(e) *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of the Assignors, the Administrative Agent, each Purchaser, all future holders of the Purchased Interests and their respective successors and assigns, except that the Assignors may not assign or transfer any of their respective rights or obligations under this Agreement, except to the Administrative Agent without the prior written consent of each Purchaser.

(f) *Counterparts.* This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Servicers and the Administrative Agent.

(g) *Severability.* Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(h) *Integration.* This Agreement and the other Transaction Documents represent the entire agreement of the Assignors, the Administrative Agent, the Administrative Agent and the Purchasers with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, the Administrative Agent or the Purchasers relative to the subject matter hereof not expressly set forth or referred to herein or in the other Transaction Documents.

(i) *Governing Law.* THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(j) *Section Headings.* The section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each Assignor and the Administrative Agent have caused this Agreement to be duly executed by their duly authorized officers all as of the date first above written.

SANMINA-SCI MARYARORSZAG ELEKTRONIKAI
GYARTO KFT

By:

Name:

Title:

SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V.

By:

Name:

Title:

DEUTSCHE BANK AG, NEW YORK BRANCH, as
Administrative Agent

By:

Name:

Title:

FORM OF IRREVOCABLE PAYMENT INSTRUCTIONS

Pay to Deutsche Bank AG, New York Branch, as Administrative Agent for [Sanmina-SCI Magyarorszag Elektronikai Gyarto Kft:
Account No. .*][Sanmina-SCI Systems de Mexico, S.A. de C.V.: Account No.]**

*For Sanmina Hungary, insert Tranche A, Tranche B or Tranche D Collection Account number

** For Sanmina Mexico, insert Tranche A, Tranche B or Tranche C Collection Account number

September 21, 2007

Deutsche Bank AG New York Branch,
as Administrative Agent under the
Revolving Trade Receivables Purchase Agreement,
dated as of September 21, 2007

Sanmina-SCI Corporation
As Servicer

Each of the Purchasers named in Schedule 1.1A
to the Revolving Trade Receivables Purchase Agreement

Re: *Sanmina-SCI Systems de Mexico, S.A. de C.V.*

Ladies and Gentlemen:

We have acted as Mexican counsel to Sanmina-SCI Systems de Mexico, S.A. de C.V., *a sociedad anónima de capital variable* organized under the laws of Mexico (the "Mexican Originator") in connection with the Revolving Trade Receivables Purchase Agreement dated as of September 21, 2007 (the "*Receivables Purchase Agreement*"), among Sanmina-SCI Magyarország Elektronikai Gyártó Kft and the Mexican Originator, as Originators, Sanmina-SCI Corporation, Sanmina-SCI UK Ltd. and Sanmina-SCI Israel Medical Systems Ltd, as Servicers, the several banks and other financial institutions or entities from time to time parties thereto, as Purchasers, and Deutsche Bank AG, New York Branch, as Administrative Agent.

Unless otherwise defined herein, capitalized terms used herein shall have the meanings given to them in Receivables Purchase Agreement. The opinions expressed below are furnished to you pursuant to subsection 4.1(g)(ii) of the Receivables Purchase Agreement.

In connection with the opinions expressed below, we have reviewed executed copies of:

- (i) the Receivables Purchase Agreement;
- (ii) the Collateral Assignment Agreement dated as of September 21, 2007;
- (iii) the Closing Certificate of the Mexican Originator dated September 21, 2007, together with the attachments thereto;
- (iv) the Collateral Account Agreement dated as of September 21, 2007;
- (v) the Mexican process agent appointment dated September 14, 2007;
- (vi) the form of Mexican Deed of Assignment and the related form of notification attached to the Deed of Assignment to IBM de Mexico Comercialización y Servicios S.A. de C.V. ("IBM"); to Lenovo (Singapore) PTE Ltd ("Lenovo"); to IBM Corporation; and to IBM Singapore PTE Ltd; and
- (vii) all such other documents, agreements and instruments, and such laws, rules and regulations as we have deemed relevant or appropriate in connection with the giving of this opinion (items (i) through (vi) being the "Transaction Documents").

In so acting, we have also examined originals or copies, certified or otherwise identified to our satisfaction, of such other documents, corporate records, certificates or comparable documents of officers and representatives of the Mexican Originator, or of public officials, and have made such inquiries of such officers and representatives and have conducted such other investigations of fact and law as we have deemed relevant and necessary as a basis for the opinion hereinafter set forth.

We have assumed the following for purposes of rendering the opinions set forth herein:

The genuineness of all signatures, the authenticity and completeness of all documents submitted to us as originals and the completeness and conformity with authentic original documents of all documents submitted to us as copies, and that all documents, books and records made available to us by the Transaction Parties are accurate and complete.

That there are no agreements or understandings between or among the Transaction Parties, Administrative Agent, Purchasers or third parties which would expand, modify or otherwise affect the terms of the Transaction Documents or the respective rights or obligations of the parties thereunder and that the Transaction Documents correctly and completely set forth the intent of all parties thereto.

That the Transaction Documents have been duly authorized, executed and delivered by Administrative Agent and Purchasers to the extent Administrative Agent or Purchasers are contemplated to be a party thereto and that each of Administrative Agent and each Purchaser has full power, authority and legal right to enter into and perform the terms and conditions of the Transaction Documents to be performed by Administrative Agent or such Purchaser and that each Transaction Document to which Administrative Agent or such Purchaser is a party constitutes a legal, valid and binding obligation of Administrative Agent or such Purchaser, as applicable, enforceable against it in accordance with its terms.

As used in this opinion, the expression "to our knowledge," "known to us" or similar language with reference to matters of fact refers to the current actual knowledge of the attorneys of this firm who have worked on matters for the Transaction Parties in connection with the Purchase Agreement and the transactions contemplated thereby. Except to the extent expressly set forth herein or as we otherwise believe to be necessary to our opinion, we have not undertaken any independent investigation to determine the existence or absence of any fact, and no inference as to our knowledge of the existence or absence of any fact should be drawn from our representation of the Transaction Parties or the rendering of the opinions set forth below.

We express no opinion as to any laws other than the laws of Mexico and we have assumed that there is nothing in any other law that affects our opinion, which is delivered based upon Mexican law applicable as of the date hereof. In particular, we have made no independent investigation of the laws of the United States of America or any state thereof as a basis for the opinions stated herein and do not express or imply any opinion on or based on such laws.

Based upon and subject to the foregoing, and subject to the qualifications set forth below, we are of the opinion that:

1. The Mexican Originator is a corporation (" *sociedad anónima de capital variable* ") duly organized and validly existing under the laws of Mexico and has the power and authority to execute, deliver and perform each of the Transaction Documents to which it is a party.
2. The execution and delivery of each Transaction Document to which the Mexican Originator is a party, and the giving of the Notification, and the performance by the Mexican Originator of its obligations under each such instrument and the Notification, have been duly authorized by all necessary corporate action and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the articles of incorporation or by-laws (*estatutos sociales*) of the Mexican Originator or, to the best of our knowledge, of any agreement, judgment, injunction, order, decree or other instrument binding on the Mexican Originator or any other agreement, contract or instrument to which the Mexican Originator is party or by which it or any of its property or assets is bound, or result in the creation or imposition of any Lien on any asset of the Mexican Originator, other than a Lien created pursuant to and in accordance with the Transaction Documents.

3. Each of the Transaction Documents to which the Mexican Originator is a party has been duly executed and delivered and constitutes a legal, valid and binding obligation of the Mexican Originator, enforceable against the Mexican Originator in accordance with its terms.

4. Under Mexican law, upon the execution of each Mexican Deed of Assignment before a Mexican notary public and the delivery of a notification to the *Eligible Buyer* before a notary public or before two witnesses, (i) the transfer of the Scheduled Receivables contemplated thereunder by the Mexican Originator to the Administrative Agent will constitute a valid, binding and enforceable transfer of ownership of such Scheduled Receivables by the Mexican Originator to the Administrative Agent pursuant to the terms thereof, and (ii) following such transfer, the Scheduled Receivables will not constitute property or rights of the Mexican Originator, but instead will be the property of the Administrative Agent, free and clear from any third party rights or claims. As a result of the foregoing, assuming the Mexican Originator was not insolvent or in a "concurso mercantil" status on the date of each Mexican Deed of Assignment, each transfer of Scheduled Receivables by the Mexican Originator to the Administrative Agent will be a perfected transfer which may not be set aside or invalidated at the instigation of any creditor or Governmental Authority.

5. No authorization or approval, consent, approval, license, authorization or validation or other action by, or notice to, recordation or registration or filing with, any Governmental Authority of Mexico is required for the execution, delivery and performance by the Mexican Originator of the Transaction Documents to which it is a party. No authorization or approval or other action by, or notice to or filing with, any Governmental Authority of Mexico is required for the validity or enforceability of the rights and remedies of the Administrative Agent in the Scheduled Receivables against the Mexican Originator or any third parties.

6. To the best of our knowledge, there is no action, suit or proceeding pending against, threatened against or affecting the Mexican Originator before any Governmental Authority or any court or arbitral tribunal in which there is a reasonable likelihood of an adverse decision which could have a material adverse effect on the business, financial condition or results of operations of the Mexican Originator or which in any manner draws into question the validity or enforceability of the Transaction Documents.

7. The making and performance by the Mexican Originator of the Transaction Documents to which it is party constitute private and commercial acts rather than public or governmental acts. Neither the Mexican Originator nor any of its property has any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under any applicable law in respect of its obligations under the Transaction Documents.

8. The instructions to be given by the Mexican Originator to IBM de México Comercialización y Servicios S.A. de C.V.; or to Lenovo (Singapore) PTE Ltd.; or to IBM Corporation; or to IBM Singapore PTE Ltd. in a Notification, pursuant to a duly executed and delivered Mexican Deed of Assignment will be, binding on the Mexican Originator, irrevocable by the Mexican Originator and effective upon delivery of such instructions in the presence of a Mexican notary public for the purposes stated therein. The delivery of the Notification upon each sale of Scheduled Receivables is the only act required of the Mexican Originator, and no authorization is required from any Mexican authorities, to permit the payments to the Administrative Agent in accordance with the Notification and for the transfer of the Scheduled Receivables on any Purchase Date.

9. The payment obligations of the Mexican Originator under the Receivables Purchase Agreement are, and will at all times be, direct and unconditional general obligations of the Mexican Originator, and rank, and will at all times rank, in right of payment and otherwise at least

pari passu with all other unsecured Indebtedness of the Mexican Originator, whether now existing or hereafter outstanding, except for such Indebtedness as would, by virtue only of the law in force in Mexico, be preferred in the event of its bankruptcy, winding up, dissolution or liquidation.

10. The choice of New York law as the governing law of the Receivables Purchase Agreement, the Collateral Assignment Agreement and the Collateral Agency Agreement is, under the laws of Mexico, a valid, effective, irrevocable and binding choice of law. The choice of Mexican law to govern the Mexican Deed of Assignment is, under the laws of Mexico, a valid, effective and irrevocable choice of law.

11. The submission to the jurisdiction of the United States Court for the Southern District of New York and any New York State court by the Mexican Originator under the Receivables Purchase Agreement is a valid submission to jurisdiction under Mexican law, as to which Mexican courts would give effect. All formalities required in Mexico for the validity and enforceability of the Transaction Documents have been accomplished, and no further notarization is required and no taxes are required to be paid, for the validity and enforceability thereof, except for the notarization contemplated in paragraph 4 herein.

12. The courts of Mexico will recognize as valid, and will enforce, any final and conclusive judgment for a monetary claim obtained in a court of the State of New York or a Federal court of the United States for the Southern District of New York against the Mexican Originator, subject to the qualifications set forth herein.

13. A final judgment rendered by a court of competent jurisdiction in New York pursuant to a legal action instituted before such courts in connection with the Receivables Purchase Agreement, would be enforceable against the Mexican Originator in the competent courts of Mexico, pursuant to Article 1347-A of the Commerce Code, which provides, *inter alia*, that any judgment rendered outside Mexico may be enforced by Mexican courts, provided, that:

(i) such judgment is obtained in compliance with the legal requirements of the jurisdiction of the court rendering such judgment and in compliance with all legal requirements of the Receivables Purchase Agreement;

(ii) such judgment is strictly for the payment of a certain sum of money, based on an *in personam* (as opposed to an *in rem*) action;

(iii) the judge or court rendering the judgment was competent to hear and judge on the subject matter of the case in accordance with accepted principals of international law that are compatible with Mexican law;

(iv) service of process is made personally on the defendant or on its duly appointed process agent;

(v) such judgment does not contravene Mexican law, public policy of Mexico, international treaties or agreements binding upon Mexico or generally accepted principles of international law;

(vi) the applicable procedure under the laws of Mexico with respect to the enforcement of foreign judgments (including the issuance of a letter rogatory by the competent authority of such jurisdiction requesting enforcement of such judgment and the certification of such judgment as authentic by the corresponding authorities of such jurisdiction in accordance with the laws thereof) is complied with;

(vii) the action in respect of which such judgment is rendered is not the subject matter of a lawsuit among the same parties, pending before a Mexican court;

(viii) such judgment is final in the jurisdiction where obtained; and

(ix) the courts of such jurisdiction recognize the principles of reciprocity in connection with the enforcement of Mexican judgments in such jurisdiction.

14. The power-of-attorney of the Mexican Originator to Corporation Service Company as Process Agent has been duly made before a notary public and constitutes valid a power-of-attorney under the laws of Mexico.

15. It is not necessary under the laws of Mexico (i) in order to enable any party to enforce its rights under the Transaction Documents or (ii) solely by reason of the execution, delivery or performance of the Transaction Documents, that any of the parties be licensed, qualified or entitled to carry on business in Mexico.

16. Other than the following, there are no Mexican Taxes on or by virtue of the execution, delivery and performance of the Transaction Documents related to the Mexican Originator. Payments to be made by the Mexican Originator under the Transaction Documents will be subject to the following Mexican Taxes:

(i) Payments made according to section 2.5 (c) of the Receivables Purchase Agreement are deemed as interest payments for Mexican tax purposes according to Article 195 of the Mexican Income Tax Law, in the understanding that these payments are effectively regarded as a "commitment fee" ("*comisión por apertura*"). Provided that the beneficial owners of such interest payments comply with the requirements set forth in Article 195, Section I of the Mexican Income Tax law, the rules thereunder and any administrative regulations thereunder, the applicable income tax rate will be 4.9%, which must be withheld by the Mexican Originator.

(ii) Payments according to section 2.6 of the Receivables Purchase Agreement are deemed as interest payments for Mexican tax purposes according to Article 195 of the Mexican Income Tax Law. Provided that the beneficial owners of such interest payments comply with the requirements set forth in Article 195, Section I of the Mexican Income Tax law, the rules thereunder and any administrative regulations thereunder, the applicable income tax rate will be 4.9%, which must be withheld by the Mexican Originator.

(iii) Any other payment made by the Mexican Originator according the Receivables Purchase Agreement, which is considered or assimilated to interest under current law will be subject to Mexican income tax. Provided that the beneficial owners of such interest payments comply with the requirements set forth in Article 195, Section I of the Mexican Income Tax law, the rules thereunder and any administrative regulations thereunder, the applicable income tax rate will be 4.9%, which must be withheld by the Mexican Originator.

(iv) Payments made according to section 2.9 of the Receivables Purchase Agreement, are considered indemnity payments for Mexican tax purposes according to Article 206, section III, of the Mexican Income Tax Law. The applicable income tax rate for these payments is 30% on the gross amount of the indemnity paid, which must be withheld by the Mexican Originator.

The opinions set forth above are subject to the following exceptions, qualifications, limitations, comments and additional assumptions:

(a) Our opinions are limited to laws of Mexico and we express no opinion as to the laws of any other jurisdiction.

(b) The enforceability of the Transaction Documents may be limited by bankruptcy, insolvency, reorganization, moratorium, *concurso mercantil* or other laws relating to, affecting or limiting the enforcement of creditors' rights generally.

(c) In any proceedings brought before the courts of Mexico for the enforcement of (i) the Transaction Documents, or (ii) any judgment related to the Transaction Documents obtained in a foreign jurisdiction against the Mexican Originator, a Mexican court would apply Mexican procedural law in such proceedings.

(d) The taking of possession, entry, removal, sale, transfer or other disposition of property or similar action may not be made in Mexico without judicial intervention after the defendant is given the right to be heard and defeated in court.

(e) We express no opinion as to the legality, validity, binding nature, perfection or enforceability of clause 9.16 of the Receivables Purchase Agreement.

(f) The remedies of the Administrative Agent under the Transaction Documents may not, depending on the procedural situation at the time, be available concurrently or cumulatively.

(g) Provisions in the Transaction Documents granting discretionary authority to a party thereto, cannot be exercised in a manner inconsistent with relevant facts nor defeat any requirement from a competent authority to produce satisfactory evidence as to the basis of any determination; in addition, any notice or certificate purporting to be conclusive and binding may be contested in a Mexican court by the party in respect of which it purports to be conclusive and binding.

(h) Although the obligations of the Mexican Originator to make payments in Dollars outside of Mexico are valid, it should be noted that pursuant to Article 8 of the Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*) of Mexico, if collection of amounts payable by any the Mexican Originator in foreign currency under the Transaction Documents is sought in Mexico, Mexican courts might render a judgment in Mexican currency or, if such judgment is rendered in foreign currency but payable in Mexico, such judgment may be discharged in Pesos at the rate of exchange in effect at the date when payment is made, as determined by the Central Bank of Mexico (*Banco de México*). Thus, we express no opinion as to the enforceability of clause 9.14 of the Receivables Purchase Agreement.

(i) In the event that any legal proceeding is brought in the courts of Mexico, a Spanish translation (prepared by a court-approved translator) of the Transaction Documents which are executed in the English language must be filed in such proceedings and would have to be approved by the court after the defendant had been given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

(j) Any increase on the obligations of the Mexican Originator not specifically agreed to in writing may not be enforceable in Mexico.

(k) Public rights, such as the right to seek compensation in court or the right to appear in a suit, may not be waived under Mexican law. Notwithstanding the foregoing, the parties are free to agree to defer their exercise of their public rights.

(l) Proceedings brought before the courts of Mexico may become barred under statutes of limitation or may become subject to defenses or set-off or counter claim.

(m) Any provision in the Transaction Documents to the effect that invalidity and illegality of any part thereof will not invalidate the remaining obligations of the corresponding Transaction Document may be unenforceable in Mexico to the extent that such provision constitutes an essential element of such Transaction Document.

This opinion is given solely for your benefit, a copy of this letter may be delivered by any of you to any Person that becomes a Purchaser in accordance with the provisions of the Receivables Purchase

Agreement. Any such Purchaser may rely on the opinions expressed above as if this letter were addressed and delivered to such Purchaser on the date hereof.

Sanmina-SCI Corporation is authorized to make available to its external auditors this opinion solely as evidential matter in support of their evaluation of management's assertion that the transfer of the receivables meets the isolation criterion of the United States of America's FASB Statement No. 140. In authorizing to make a copy of this opinion available to auditors for such purpose, we are not undertaking or assuming any duty or obligation to such auditors or establishing any lawyer-client relationship with them. Further, we do not undertake or assume any responsibility with respect to financial statements. This opinion has been prepared solely to address legal, and not accounting, issues raised by the transactions contemplated herein and that certain terminology used herein may or may not have the same technical meaning as would be ascribed to such terms in Mexican accounting rules or accounting rules of other jurisdictions. We express no opinion relating to any accounting rules, including but not limited to any Mexican Financial Information Rules (*Normas de Información Financiera*) and United States of America's FASB statements.

Very truly yours,

Baker & McKenzie Abogados, S.C.

KÖVES CLIFFORD CHANCE OPINION LETTER
ISSUED IN CONNECTION WITH
A REVOLVING TRADE RECEIVABLE PURCHASE
AGREEMENT BETWEEN, *INTER ALIA* , SANMINA-SCI
MAGYARORSZÁG ELEKTRONIKAI GYÁRTÓ KFT.
AND
DEUTSCHE BANK AG NEW YORK

To: Deutsche Bank AG New York, as Administrative Agent, Deutsche Bank Trust Company Americas as Collateral Agent and the Purchasers being party to the Trade Receivables Purchase Agreement on the date of this Opinion Letter.

Dear Sirs,

We have been asked by Sanmina-SCI Corporation to provide advice in connection with the transactions contemplated in (i) the Revolving Trade Receivables Purchase Agreement between, *inter alia*, Sanmina-SCI Magyarország Elektronikai Gyártó Kft. (the "**Originator**") and Deutsche Bank AG New York dated [•]September 2007 (the "**Trade Receivables Purchase Agreement**") and (ii) a trade receivables assignment agreement governed by Hungarian law between Sanmina-SCI Magyarország Elektronikai Gyártó Kft. and Deutsche Bank AG New York (to be executed from time to time substantially in the form provided in Exhibit N of the Trade Receivables Purchase Agreement) (the "**Hungarian Receivables Assignment Agreement**"). This opinion is furnished to you at the request of Sanmina-Sci Corporation pursuant to Section 4 (1)(g)(iii) of the Trade Receivables Purchase Agreement.

1. INTRODUCTION

1.1 Transaction Documents

The opinions given in this Opinion Letter relate to the following documents (each a "**Transaction Document**" and collectively referred to as "**Transaction Documents**"):

- 1.1.1 the Trade Receivables Purchase Agreement;
- 1.1.2 the Hungarian Receivables Assignment Agreement;
- 1.1.3 the Collateral Assignment Agreement; and
- 1.1.4 the Collateral Account Agreement.

1.2 Interpretation

- 1.2.1 Terms defined or given a particular construction in the Trade Receivables Purchase Agreement have the same meaning in this Opinion Letter unless a contrary indication appears.
- 1.2.2 Headings in this Opinion Letter are for ease of reference only and shall not affect its interpretation.
- 1.2.3 Save where the context otherwise requires, references in this Opinion Letter to a paragraph number shall be reference to such numbered paragraph in this Opinion Letter.

1.3 Legal Review

For the purpose of issuing this Opinion Letter we have reviewed only the documents and completed only the searches and enquiries referred to in Schedule 1 (*Documents and Enquiries*) to this Opinion Letter.

1.4 Applicable Law

This Opinion Letter and the opinions given in it are governed by Hungarian law and relate only to Hungarian law as applied by the Hungarian courts as at today's date. We express no opinion in this Opinion Letter on the laws of any other jurisdiction.

1.5 Assumptions and Reservations

The opinions given in this Opinion Letter are given on the basis of the assumptions set out in Schedule 2 (*Assumptions*) and are subject to the reservations set out in Schedule 3 (*Reservations*) to this Opinion Letter. The opinions given in this Opinion Letter are strictly limited to the matters stated in paragraph 2 (*Opinions*) and do not extend to any other matters.

2. OPINIONS

We are of the opinion that:

2.1 Corporate Existence

The Originator is a limited liability company (" *Korlátolt Felelősségű Társaság* "), duly incorporated and validly existing under the laws of Hungary and according to the information obtained from the company extract referred to in Section 2 of Schedule 1 (*Documents and Enquiries*), it is not under bankruptcy, liquidation or solvent final dissolution proceedings.

2.2 Power, Authority and Due Execution

2.2.1 The Originator has the capacity and corporate power to enter into, deliver, exercise its rights and perform its obligations under the Transaction Documents.

2.2.2 All corporate action required by law to authorise the due execution and delivery by the Originator of each of the Transaction Documents and the exercise by it of its rights and the performance by it of its obligations under the Transaction Documents has been duly taken provided that after the date of this Opinion Letter the counterparty of the underlying supply agreement will be notified by the Originator about the transaction contemplated by the Hungarian Receivables Assignment Agreement each time such agreement is executed.

2.3 Legal, Valid, Binding and Enforceable Obligations

The obligations of the Originator under each Transaction Document are legal, valid, binding and enforceable under the laws of Hungary.

2.4 No Conflict

Neither the execution, nor the delivery by the Originator of the Transaction Documents nor the performance of its obligations under the Transaction Documents conflict with any provision of any existing Hungarian law applicable to companies generally and with its Deed of Foundation.

2.5 Taxes on payments and sales

All amounts payable by the Originator under the Transaction Documents may be made without deduction for or on account of any taxes imposed by or in Hungary. The sale of Scheduled Receivables contemplated by the Trade Receivables Purchase Agreement and the Hungarian Receivables Assignment Agreement is not a taxable sale or service subject to Hungarian value added tax.

2.6 No filing

No filing, recording, notarisation or registration of the Transaction Documents with any court or other authority in the Republic of Hungary is required to ensure the legality, validity, enforceability or (subject to their official translation into the Hungarian language) admissibility in evidence of the Transaction Documents.

2.7 Registration Taxes

No stamp duties, fees or other charges are payable in connection with the registration, execution and performance of the Transaction Documents in Hungary.

2.8 Licensed to Carry on Business

- (a) Subject to the assumption made under paragraph 4(b) of Schedule 2 (*Assumptions*) of this Opinion Letter it is not necessary (a) in order to enable any of the Administrative Agent, the Collateral Agent or the Purchasers to enforce its rights under the Transaction Documents or (b) by reason of the execution of any of the Transaction Documents or the performance of its obligations thereunder, that any of them should be licensed, qualified or otherwise entitled to carry on business in Hungary.
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- (b) The Administrative Agent, the Collateral Agent or the Purchasers will not be deemed to be resident, domiciled, carrying on business or subject to taxation in the Republic of Hungary by reason only of the execution, performance and/or enforcement of any of the Transaction Documents.

2.9 Governing Law and Jurisdiction

The application of the laws of the State of New York as the governing law of the Transaction Documents (other than the Hungarian Receivables Assignment Agreement) and the submission to the jurisdiction of any State or Federal Court in the Borough of Manhattan, City and State of New York by the Company is a valid choice of law and jurisdiction.

2.10 Enforcement of foreign judgements

A judgement obtained in any State or Federal Court in the Borough of Manhattan, City and State of New York in proceedings in relation to the Transaction Documents should be recognised and enforced by a Hungarian court, insofar as such judgement is not contrary to public policy in Hungary and complies with the requirements relating to the form and content of foreign judgements as set out in Hungarian law.

2.11 Immunity

In any proceedings taken in the Hungary in relation to the Transaction Documents, the Originator will not be entitled to claim immunity from suit, execution or other legal process for itself or any of its assets.

2.12 Further Acts

No further acts, conditions, authorisations, approvals, consents, licences, exemptions and other requirements of governmental, judicial and public bodies and authorities of or in Hungary are required under the relevant Hungarian law applicable for financing transactions to be done, fulfilled or obtained in Hungary in order to enable the Originator to lawfully to enter into, exercise its rights or perform its obligations under any of the Transaction Documents or to make any of the Transaction Documents admissible in evidence in Hungary.

2.13 True Sale

Subject to the discussion relating to such transfer in Schedule 3 (*Reservations*) to this Opinion Letter, we are of the opinion that:

- 2.13.1 the assignment of the Scheduled Receivables identified in the relevant Purchase Notice as contemplated by the Hungarian Receivables Assignment Agreement will, upon the payment of the purchase price therefore and the consummation of the transactions contemplated by the Hungarian Receivables Assignment Agreement, and insofar as they came into existence prior to commencement of liquidation proceedings (" *felszámolási eljárás* ") or bankruptcy proceedings (" *csődeljárás* ") in relation to the Originator, be recognized in Hungary as being effective to transfer legal title to such Scheduled Receivables from the Originator to the Administrative Agent under the Hungarian Receivables Assignment Agreement; and
- 2.13.2 in any bankruptcy proceedings or liquidation proceedings of the Originator in accordance with the provisions of Act No. IL of 1991 on Bankruptcy and Liquidation Proceedings (the " **Bankruptcy Act** "), commencing following such sale of the Scheduled Receivables identified in the relevant Purchase Notice pursuant to the Hungarian Receivables Assignment Agreement, neither the creditors of the Originator nor any liquidator (" *felszámoló* ") or bankruptcy trustee (" *vagyongfelügyelő* ") of the Originator will be able to contest successfully the validity of such sale or avoid or have set aside the assignment by the Originator pursuant to the Hungarian Receivables Assignment Agreement of the Scheduled Receivables identified in the relevant Purchase Notice.
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3. LIMITS OF OPINION

We express no opinion as to any liability to tax, which may arise or be suffered as a result of or in connection with the Transaction Documents other than as mentioned in paragraph 3.4 (*Taxes on payment and sales*) and 3.6 (*Registration Taxes*) above.

4. ADDRESSEES AND PURPOSE

This Opinion Letter is addressed to and is solely for the benefit of the addressees hereof in relation to the transactions contemplated by the Trade Receivables Purchase Agreement and the Hungarian Receivables Assignment Agreement and, except with our prior written consent, is not to be transmitted or disclosed to or used or relied upon by any other person or used or relied upon by the addressee hereof for any other purpose. In authorising such disclosure, we are not undertaking any duty or obligation to such persons or any responsibility with respect to the financial statements of the addressee or any of its affiliates.

Yours faithfully

Dr. Péter Köves
Köves Clifford Chance Ügyvédi Iroda

SCHEDULE 1
Documents and Enquiries

1. DOCUMENTS

We have reviewed only the following documents for the purposes of this Opinion Letter.

- (a) An executed copy of the Trade Receivables Purchase Agreement.
- (b) The form of the Hungarian Receivables Assignment Agreement.
- (c) An executed copy of the Collateral Assignment Agreement dated [] September 2007.
- (d) An executed copy of the Collateral Account Agreement dated [] September 2007.
- (e) An executed copy of the resolution of the sole quotaholder of the Originator dated [] September 2007.
- (f) A company extract of the Originator dated [] September 2007.

2. SEARCHES AND ENQUIRIES

We have undertaken only the following searches and enquiries for the purposes of this Opinion Letter:

- (a) An enquiry on the internet (website: "www.microsec.hu") was made on [] September 2007 with respect to the company extract of the Originator.
 - (b) An enquiry on the internet (website: *www.pszaf.hu*) was made on [] September 2007 with respect to the passporting license of the Administrative Agent being party to the Trade Receivables Purchase Agreement on the date of this Opinion Letter.
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SCHEDULE 2

Assumptions

We have not been concerned with investigating or verifying the accuracy of any facts, representations or warranties set out in any of the Transaction Documents (with the exception of those matters on which we have herein specifically and expressly given our opinion). To the extent that the accuracy of such facts, representations and warranties not so investigated or verified is relevant to the contents of this Opinion Letter, we have assumed that such facts, representations and warranties are correct.

Where an assumption is stated to be made in this Opinion Letter, we have not made any investigation with respect to the matters that are the subject of such assumption.

The opinions in this Opinion Letter have been made on the following assumptions.

1. VALIDITY

- (a) Each of the Transaction Documents (other than the Hungarian Receivables Assignment Agreement) is valid under the law of the State of New York.
- (b) The obligations expressed to be assumed by the Originator under each of the Transaction Documents (other than the Hungarian Receivables Assignment Agreement) constitute its legal, valid, binding and enforceable obligations under the law of the State of New York.

2. ORIGINAL AND GENUINE DOCUMENTATION

- (a) All signatures, stamps and seals are genuine, all original documents are authentic and all copy documents are complete and conform to the originals.
- (b) There have been no changes or amendments to the Transaction Documents and any other document listed in Schedule 1 (*Documents and Enquiries*).

3. PARTIES OTHER THAN THE ORIGINATOR

- (a) Each party to any of the documents listed in Schedule 1 (*Documents and Enquiries*) (other than the Originator) has the requisite capacity, power, authority to enter into and to exercise its rights and to perform its obligations thereunder and the application of the law of the State of New York and the submission by such parties to the jurisdiction of the courts of any State or Federal Court in the Borough of Manhattan, City and State of New York is a valid choice of law and jurisdiction in respect of the Transaction Documents (other than the Hungarian Receivables Assignment Agreement).
- (b) Each party to any of the of the documents listed in Schedule 1 (*Documents and Enquiries*) (other than the Originator) has been duly authorised by and duly executed by or on behalf of each of the parties thereto.
- (c) Each of the Scheduled Receivable to which a Hungarian Receivables Assignment Agreement relates is a legal, valid and binding obligation of the counterparty of the underlying supply agreement.

4. APPROVALS AND CONSENTS

- (a) The consent, licence, approval or authorisation of, or notification to, any person, which is required in relation to the execution and delivery of the Transaction Documents and the performance and observance of the terms thereof by the parties, has been obtained at the date of this Opinion Letter.
 - (b) The Administrative Agent duly passported its respective license to Hungary, which is required in relation to the execution and delivery of the Hungarian Receivables Assignment Agreement and the performance and observance of the terms thereof by the parties.
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5. TRANSACTIONS

- (a) In respect of the Transaction Documents and each of the transactions contemplated by, referred to in, provided for or effected by the Hungarian Receivables Assignment Agreement:
 - (i) each of the parties thereto entered into the same in good faith and for the purpose of carrying on its business;
 - (ii) each of the parties thereto entered into the same on arms' length commercial terms; and
 - (iii) each of the parties thereto are not seeking to achieve any purpose not apparent from the Transaction Documents which would have the effect of rendering the Transaction Documents illegal or void
 - (iv) each of the parties thereto had reasonable grounds for believing that the same would benefit such party.
- (b) Immediately prior to the execution and delivery of the relevant Purchase Notice the Originator will be the legal and beneficial owner of the Scheduled Receivable the subject thereof;
- (c) Immediately prior to the execution and delivery of a Hungarian Receivables Assignment Agreement, all rights, title and interest in the subject matter which it is contemplated be transferred thereby will be free and clear of all encumbrances or security interests.

6. OTHER DOCUMENTS

- (a) Save for those listed in Schedule 1 (*Documents and Enquiries*), there is no other agreement, instrument or other arrangement between any of the parties which modifies, supersedes or in contradiction with the Hungarian Receivables Assignment Agreement and the Trade Receivables Purchase Agreement.
- (b) All facts set forth in official public records, certificates and documents supplied by public officials or otherwise conveyed to us by public officials are complete, true and accurate.

7. OTHER LAWS

- (a) All acts, conditions or things required to be fulfilled, performed or effected in connection with the Transaction Documents under the laws of any jurisdiction other than Hungary have been duly fulfilled, performed and effected.
 - (b) Without prejudice to the fact that this opinion relates only to Hungarian law, there is no law in any other jurisdiction which would render any of the opinions set out in this Opinion Letter inaccurate, materially or at all.
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SCHEDULE 3

Reservations

The opinions in this Opinion Letter are subject to the following reservations.

1. BANKRUPTCY/INSOLVENCY

- (a) The bankruptcy trustee has the right to challenge contracts concluded or legal declarations made by the bankrupt company within one year of the date preceding the commencement date of the bankruptcy proceedings or at any time thereafter, if the subject matter of such contract or legal declaration is (A) a free asset transfer by the insolvent company; (B) an undertaking by the insolvent company in respect of its assets for no consideration; or (C) an arrangement resulting in evidently disproportional benefit in value to the contracting party;
 - (b) Any creditor of an insolvent company or the liquidator has the right to challenge transactions concluded by such insolvent company which is of a type falling under any of the criteria set out under subparagraph (i)-(iii) below. The persons referred to above have the right to challenge such transactions within 90 days from the date of becoming aware of the existence of such transactions, but in any event within one year from the date of publication of a court order relating to the commencement of the liquidation proceedings. The types of transactions open to challenge are the following:
 - (i) Contracts concluded or legal declarations made by the insolvent company within five years of the date preceding the date when a competent court received a petition for the initiation of liquidation proceedings or at any time thereafter, if such contract or legal declaration resulted in the decrease in the value of the insolvent company's assets, and the intent of the insolvent company was to defraud any or all of the creditors, and the contracting party, or beneficiary of the legal declaration had or should have had knowledge of such intent;
 - (ii) Contracts concluded or legal declarations made by the insolvent company within two years of the date preceding the date when a competent court received a petition for the initiation of liquidation proceedings or at any time thereafter, if the subject matter of such contract or legal declaration is (A) a free asset transfer by the insolvent company; (B) an undertaking by the insolvent company in respect of its assets for no consideration; or (C) an arrangement resulting in evidently disproportional benefit in value to the contracting party;
 - (iii) Contracts concluded or legal declarations made by the insolvent company within ninety days of the date preceding the date when a competent court received a petition for the initiation of liquidation proceedings or at any time thereafter, if the subject matter of such contract or legal declaration is to grant preference to any one creditor, in particular an amendment of an existing contract for the benefit of such creditor, or provision of collateral to an unsecured creditor.
 - (c) The liquidator, acting on behalf of the insolvent company, is entitled to seek to recover within the time periods referred to in paragraph 1(b) above, any service rendered by the insolvent company within 60 days of the date preceding the date when a competent court received a petition for the initiation of liquidation proceedings or at any time thereafter, if the provision of such service resulted in a preference to any one creditor and was not made in its normal course of business. In particular payment of a debt prior to its original maturity is considered as granting preference a creditor.
 - (d) Any provision of the Hungarian Receivables Assignment Agreement, which confers, purports to confer or waives a right of set-off or similar right may be ineffective against a liquidator or creditor.
 - (e) The relevant public records do not contain information with respect to whether any steps have been taken by any person to initiate the commencement of a bankruptcy, liquidation or final solvent dissolution proceedings of a company. Such information only appears after the competent court issues a final and non-appealable order to this effect. Therefore it is not possible to
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determine on the basis of searches of public registers whether any such steps have been taken or whether any such court order has been made in relation to a company. In particular, notice of these matters may not yet have been filed with the Court of Registration (or if filed, may not yet be publicly available).

2. SANCTIONS

If any party to Transaction Documents is controlled by a person or is itself incorporated in the laws of a country which is subject of United Nations or European Union sanctions, as implemented, the obligations of the Originator to such party may be unenforceable or void.

3. ENFORCEMENT OF A JUDGEMENT

- (a) Hungarian courts will enforce a final and non-appealable judgement by any State or Federal Court in the Borough of Manhattan, City and State of New York with respect to property (including money) claims only in cases where:
 - (i) the jurisdiction of the court or authority is found to be legitimate under Hungarian legal rules concerning jurisdiction; and
 - (ii) the jurisdiction of such foreign court was stipulated by the parties in the manner prescribed by Hungarian conflicts law.
- (b) The judgements of foreign courts are recognised under Hungarian law except where:
 - (i) the recognition of the decision would violate Hungarian public policy;
 - (ii) the foreign court would not have had competence under its own laws to proceed against its own citizen (including legal entities) in a similar matter;
 - (iii) the party against whom the decision was made did not attend the proceedings in person or by way of a representative because the summons, statement of claim or other document on the basis of which the proceedings were initiated was not properly served at his domicile or residence or in a timely fashion in order to allow adequate time to prepare his defence;
 - (iv) the decision was based on the findings of proceedings which seriously violated the basic principles of Hungarian procedural rules;
 - (v) (a) a final judgment with respect to the same legal matter and factual background between the same parties has been rendered by a Hungarian court or other authority or (b) proceedings have commenced with respect to the same legal matter and factual background between the same parties before a Hungarian court or other authority prior to the commencement of the foreign proceedings; or
 - (vi) the Hungarian court or other authority has exclusive jurisdiction (for example, proceedings related to real estate located in Hungary).
- (c) In the event that any party to the Transaction Documents seeks to enforce its rights before the courts of Hungary, all relevant documents will have to be translated into Hungarian.
- (d) We express no opinion as to the enforceability of a foreign judgement arising from a lawsuit initiated after the Hungarian statute of limitations periods have elapsed.

4. PUBLIC POLICY

We are not aware of any principle of public policy in Hungary which is contradicted by the Transaction Documents, although it should be noted that it is not possible to express a precise and definitive view of the exact scope of Hungarian public policy at any particular time.

5. PERFORMANCE OR REGISTRATION OUTSIDE HUNGARY

- (a) Where any obligations of any person are to be performed in any jurisdiction outside of Hungary, such obligations may not be enforceable under Hungarian law to the extent that such performance thereof would be illegal or contrary to public policy under the laws of such jurisdiction.
- (b) Where any filing or registration is required to be made outside Hungary in respect of any of the documents listed in Schedule 1 (*Documents and Enquiries*), this Opinion Letter shall not cover the effects of such filing or registration requirement on the validity, enforceability and effectiveness of such documents.

6. OTHER QUALIFICATIONS

- (a) Where any party to an agreement is vested with discretion or may determine a matter in its sole opinion, Hungarian law requires that such discretion cannot be abused.
 - (b) Claims under any of the Transaction Documents may be or become by law subject to defences of set-off or counter-claim.
 - (c) The question as to whether or not any provision of the Hungarian Receivables Assignment Agreement which may be declared invalid may be severed from the other provisions thereof would be determined by a Hungarian court in its discretion; the severability of provisions of any agreement is generally accepted if the agreement so provides, but the invalidity of certain provisions may cause the entire agreement to be invalid.
 - (d) If a judgement is obtained in a currency other than forint it is possible that it could only be enforced in Hungary in forints. In the event of any proceeding being brought in a Hungarian court in respect of a monetary obligation expressed to be payable in a currency other than Hungarian forints, a Hungarian court may give judgement as an order to pay the Hungarian forints equivalent of such currency at the time of actual payment of the debtor. Furthermore, with respect to a bankruptcy, insolvency, or solvent final dissolution, Hungarian law requires that all claims or debts be converted to equivalent Hungarian forints amount.
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September 21, 2007

Deutsche Bank AG New York,
as Administrative Agent
60 Wall Street
New York, NY 10005

and Purchasers (as defined below)

Re: Revolving Trade Receivables Purchase Agreement

Ladies and Gentlemen:

We have acted as special counsel to Sanmina-SCI Magyarorszag Elektronikai Gyarto Kft, a limited liability company incorporated under the laws of the Republic of Hungary ("*Sanmina Hungary*"), Sanmina-SCI Systems de Mexico S.A. de C.V., a *sociedad anonima de capital variable* organized and existing under the laws of the United Mexican States ("*Sanmina Mexico*"), Sanmina-SCI Corporation, a Delaware corporation ("*Sanmina-SCI*"), Sanmina-SCI UK Ltd., a company organized and existing with limited liability under the laws of England and Wales ("*Sanmina U.K.*"), and Sanmina-SCI Israel Medical Ltd., a [company] formed under the laws of Israel ("*Sanmina Israel*"), in connection with the execution and delivery of the Revolving Trade Receivables Purchase Agreement, dated as of September [21], 2007 (the "*Purchase Agreement*"), with the several banks and other financial institutions or entities from time to time parties to the Purchase Agreement ("*Purchasers*") and Deutsche Bank AG New York, as administrative agent (in such capacity, the "*Administrative Agent*"). This opinion is rendered to you pursuant to Section 4.1(g)(i) of the Purchase Agreement. All capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Purchase Agreement. Sanmina Hungary, Sanmina Mexico, Sanmina U.K. and Sanmina Israel are sometimes referred to herein as the "*Sanmina Subsidiaries*" and each a "*Sanmina Subsidiary*." The Sanmina Subsidiaries and Sanmina-SCI are sometimes referred to herein as the "*Transaction Parties*" and each a "*Transaction Party*."

In rendering the opinions expressed below, we have examined executed originals or copies of the following documents:

- (a) the Purchase Agreement;
 - (b) the Guarantee, dated as of the date hereof (the "*Guarantee*"), executed by Sanmina-SCI in favor of Administrative Agent and the Purchasers;
 - (c) the Collateral Assignment Agreement, dated as of the date hereof (the "*Collateral Assignment Agreement*"), by and among Sanmina Mexico, Sanmina Hungary and Administrative Agent;
 - (d) the Collateral Account Agreement, dated as of the date hereof (the "*Collateral Account Agreement*"), by and among Sanmina Mexico, Sanmina Hungary and the Administrative Agent;
 - (e) the certificate of incorporation and bylaws of Sanmina-SCI, each as amended to date;
 - (f) records of proceedings of the Board of Directors of Sanmina-SCI during or by which resolutions were adopted relating to matters covered by this opinion;
 - (g) (i) a certificate of the Secretary of State of the State of Delaware, dated September 10, 2007, with respect to the standing of Sanmina-SCI as a corporation incorporated under the laws of the State of Delaware; (ii) a Certificate of the Secretary of State of the State of California, dated September 10, 2007, with respect to the standing of Sanmina-SCI as a foreign corporation qualified to do business in the State of California; and (iii) a tax status certificate from the Franchise Tax Board of the State of California, dated September 10, 2007, with respect to the tax status of Sanmina-SCI;
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- (h) the certificates of the Secretary and certain officers of the Transaction Parties as to certain factual matters;
- (i) each of the judgments and decrees expressly identified on *Annex A* hereto (the " *Reviewed Judgments* "); and
- (j) each of the documents listed on *Annex B* hereto (the " *Reviewed Agreements* ").

In addition, we have examined and relied upon such corporate records of the Transaction Parties as we have deemed necessary or appropriate for purposes of the opinions expressed below. We have also relied upon and obtained from public officials and officers of the Transaction Parties such other certificates and assurances as we consider necessary for the rendering of this opinion. The Purchase Agreement, the Guarantee, the Collateral Assignment Agreement and the Collateral Account Agreement are sometimes referred to herein as the " *Transaction Documents* ."

With your permission and without any verification by us, we have assumed the following for purposes of rendering the opinions set forth herein:

- (i) The genuineness of all signatures, the authenticity and completeness of all documents submitted to us as originals and the conformity to original documents of all copies submitted to us.
- (ii) That each party to any document that we have examined (other than Sanmina-SCI in connection with the Transaction Documents) has satisfied those requirements that are applicable to it to the extent necessary to make such document a valid and binding obligation of such party, enforceable against such party in accordance with its terms.
- (iii) That (A) the representations and warranties as to factual matters made by the parties to the Transaction Documents and pursuant thereto are correct, (B) the representations and warranties made by officers of the Transaction Parties as to factual matters made in the certificates delivered in connection with the Transaction Documents are correct; and (C) the parties to the Transaction Documents have complied and will comply with their obligations under the Transaction Documents.

As used in the opinions or statements set forth below, the expressions "to our knowledge," "known to us" or similar language with reference to matters of fact refer to the current actual knowledge of the attorneys of this firm who have rendered legal services in connection with the representation described in the first paragraph of this opinion letter. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any fact, and no inference as to our knowledge of the existence or absence of any fact should be drawn from our representation of the Transaction Parties or the rendering of the opinions or statements set forth below. Furthermore, this opinion letter does not purport to encompass information which may have been communicated to any attorney in our firm who is a director or officer of Sanmina-SCI, solely by reason of such attorney's serving in such capacity.

In rendering our opinion in paragraph 4 below as to the enforceability of the Transaction Documents to which a Sanmina Subsidiary is a party, we have assumed that each Sanmina Subsidiary is duly formed, validly existing and in good standing under the laws of its jurisdiction of formation, each of such Transaction Documents have been duly authorized, executed and delivered by such Sanmina Subsidiary and that each such Sanmina Subsidiary has the corporate power and authority to enter into the Transaction Documents to which it is a party and to perform the terms and conditions of such Transaction Documents to be performed by it. We understand that you are receiving a legal opinion as to such matters from: (a) Baker & McKenzie Abogados, S.C. as to Sanmina Mexico, and (b) Clifford Chance LLP as to Sanmina Hungary.

On the basis of the foregoing and in reliance thereon, and based upon examination of such questions of law as we have deemed appropriate, and subject to the assumptions, exceptions, qualifications, and limitations set forth herein, we advise you that in our opinion:

1. Sanmina-SCI is a corporation duly incorporated and validly under the laws of the State of Delaware and is in good standing under such laws. Sanmina-SCI is qualified to do business as a foreign corporation in the State of California.
2. Sanmina-SCI has the corporate power to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations under the terms of the Transaction Documents to which it is a party.
3. All corporate action on the part of Sanmina-SCI necessary for the authorization, execution and delivery of the Transaction Documents to which it is a party, and the performance by Sanmina-SCI of its obligations under the Transaction Documents to which it is a party has been taken.
4. Each of the Transaction Documents to which Sanmina-SCI is a party has been duly and validly executed and delivered by Sanmina-SCI. Each Transaction Document constitutes a valid and binding obligation of each Transaction Party which is a party thereto, enforceable against such Transaction Party in accordance with its terms.
5. The execution and delivery by Sanmina-SCI of the Transaction Documents to which it is a party, the undertaking by Sanmina-SCI of the covenants set forth in Transaction Documents to which it is a party and the payment of any obligations by Sanmina-SCI pursuant to the terms of the Guarantee, do not (a) violate any provision of its certificate of incorporation or bylaws; (b) violate any applicable United States federal or California state law, rule or regulation known to us to be customarily applicable to transactions of this nature; (c) violate any Reviewed Judgment; or (d) violate or constitute a breach or default under any Reviewed Agreement.
6. The execution and delivery by each Sanmina Subsidiary of the Transaction Documents to which it is a party, the undertaking by each Sanmina Subsidiary of the covenants set forth in Transaction Documents to which it is a party, do not (a) violate any applicable United States federal or California state law, rule or regulation known to us to be customarily applicable to transactions of this nature; (b) violate any Reviewed Judgment; or (c) violate or constitute a breach or default under any Reviewed Agreement.
7. No consent, approval or authorization of, and no designation, declaration or filing with, any United States federal or California governmental authority on the part of any Transaction Party is required in connection with the valid execution or delivery by any Transaction Party of the Transaction Documents to which it is a party and the undertaking by any Transaction Party of the covenants set forth in the Transaction Documents to which it is a party.

The opinions set forth above are subject to the following exceptions, qualifications, limitations, comments and additional assumptions:

- A. We are members of the bar of the State of California and the State of New York and we express no opinion as to any matter relating to laws of any jurisdiction other than the federal laws of the United States of America (but only to the extent applicable), the laws of the State of California (but only to the extent applicable, but excluding our opinion in paragraph 4 above as to valid and binding effect and enforceability of the Transaction Documents, referred to herein as the "enforceability opinion"), the State of New York (but only as to the enforceability opinion), the General Corporation Law of the State of Delaware (but only to the extent applicable), as such are in effect on the date hereof, and we have made no inquiry into, and we express no opinion as to, the statutes, regulations, treaties, common laws or other laws of any other nation, state or jurisdiction or whether the laws of any particular jurisdiction govern any aspect of the Transaction Documents. As you know, we are not licensed to practice
-

law in the State of Delaware and, accordingly, our opinions as to General Corporation Law of the State of Delaware are based solely on a review of the official statutes of the State of Delaware.

- B. We express no opinion as to (i) the effect of any bankruptcy, insolvency, reorganization, arrangement, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally, or (ii) the effect of general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, whether considered in a proceeding in equity or at law.
 - C. We express no opinion as to the enforceability of any provision of the Transaction Documents (i) purporting to waive broadly or vaguely stated rights, unknown future defenses, rights to damages, or the benefits of other statutory, regulatory or constitutional rights that cannot be waived or, if they can be waived, cannot be waived prospectively; (ii) providing for a choice of venue; (iii) imposing penalties, forfeitures, liquidated damages, late charges, acceleration of future amounts due (other than principal) without appropriate discount to present value, prepayment charges, or increased interest rates upon default; or (iv) prescribing or varying rules of evidence, method or quantum of proof or other legal standards in a manner contrary to applicable statutes and rules of law.
 - D. We express no opinion as to the enforceability of any provisions in the Transaction Documents (i) giving rights or remedies, or permitting the exercise of rights or remedies, in a manner not in compliance with applicable statutes and rules of law, (ii) providing that rights or remedies are not exclusive, that every right or remedy is cumulative and may be exercised in addition to any other right or remedy, or that the election of some particular remedy does not preclude recourse to one or more other remedies, or (iii) providing for rights of set-off.
 - E. We express no opinion as to the enforceability of indemnification and contribution provisions to the extent they may be subject to limitations of public policy and the effect of applicable statutes and rules of law.
 - F. We express no opinion as to the applicability or effect of compliance or non-compliance by Administrative Agent or any Purchaser (or its agent) with any state, federal or other laws applicable to Administrative Agent or such Purchaser (or its agent) or to the transactions contemplated by the Transaction Documents because of the nature of its business, including its legal or regulatory status.
 - G. In rendering the opinions set forth in paragraph 1 as to due incorporation, valid existence, good standing and qualification to do business, we have relied solely upon documents and certificates referenced in paragraphs (e) and (g) above.
 - H. We express no opinion as to the creation, attachment, validity, perfection or priority of a security interest in any item of collateral or the necessity of making any filings or taking any other action in connection therewith.
 - I. Our opinions are limited by the effect of statutes and rules of law protecting guarantors, including those (i) which may discharge a guarantor, if the beneficiary of the guaranty alters the obligation of a principal, fails to inform the guarantor of material information pertinent to the principal or any collateral, elects remedies that may impair the subrogation or reimbursement rights of the guarantor against the principal or the value of any collateral, fails to accord the guarantor the protections afforded a debtor under the New York Uniform Commercial Code, or otherwise takes any action which prejudices the guarantor, without obtaining consent of the guarantor, and (ii) relating to waivers or subordination by a guarantor of its rights against the principal or otherwise.
 - J. We express no opinion as to the enforceability or legal effect of any provision of any Transaction Document purporting to reinstate, as against any obligor or guarantor, obligations
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or liabilities of such obligor which have been avoided or which have arisen from transactions which have been rescinded or the payment of which has been required to be returned by any court of competent jurisdiction.

- K. In rendering the opinion set forth in paragraphs 5 and 6 above concerning violations of and defaults under Reviewed Agreements and violations of Reviewed Judgments, we have relied solely upon an examination of the Reviewed Agreements and Reviewed Judgments in the forms provided to us by Sanmina-SCI. Our opinions in clauses (b) and (c) of paragraph 5 and clauses (a) and (b) of paragraph 6 above are intended to express our opinion that the execution and delivery by each Transaction Party of the Transaction Documents to which it is a party, the undertaking by each Transaction Party of the covenants set forth in Transaction Documents to which it is a party and the payment of any obligations by Sanmina-SCI pursuant to the terms of the Guarantee, do not violate any law, rule, or regulation of the State of California or United States federal law or any order, writ, judgment, decree, determination or award of any United States federal or California state governmental authority that a lawyer practicing in the State of California exercising customary professional diligence would reasonably recognize to be applicable to the Transaction Parties and the transactions contemplated by the Transaction Documents. We express no opinion regarding compliance or non-compliance (or the effect thereof) with any federal or state securities laws.
- L. With respect to our opinion in clause (d) of paragraph 5 and clause (c) of paragraph 6, we have assumed that the sales under the Purchase Agreement constitute sales under GAAP in the United States of America and each other applicable jurisdiction and true sales for legal purposes. We express no opinion as to whether the transfer of property described in Section 2.3 of the Purchase Agreement constitutes a loan secured by such property or a sale of such property or the effect on the property transferred by the Sanmina Subsidiaries pursuant to the Purchase Agreement of any bankruptcy or insolvency of any Originator. We understand that you are receiving true sale opinions with respect to such sales under the Purchase Agreement from Baker & McKenzie Abogados, S.C. and Clifford Chance LLP.
- M. This opinion speaks only at and as of its date and is based solely on the facts and circumstances known to us at and as of such date. We express no opinion as to the effect on Administrative Agent's or any Purchaser's (or its agent's) rights under the Transaction Documents of any statute, rule, regulation or other law which is enacted or becomes effective after, or of any court decision which changes the law relevant to such rights which is rendered after, the date of this opinion or the conduct of the parties following the closing of the contemplated transaction. In addition, in rendering this opinion, we assume no obligation to revise or supplement this opinion should the present laws of the jurisdictions mentioned herein be changed by legislative action, judicial decision or otherwise.

This opinion is made with the knowledge and understanding that you (but no other person) may rely thereon in entering into the Purchase Agreement and is solely for your benefit, and this opinion may not be disclosed to or relied upon by any person other than you, except that (i) this opinion may be disclosed to bank regulatory and other governmental authorities having jurisdiction over you requesting (or requiring) such disclosure and (ii) this opinion may be disclosed to and relied upon by assignees if the assignments relating thereto are permitted under and made in accordance with the Purchase Agreement; *provided* that in no event does this opinion extend to any issue or matter related to any such assignment or arising from or out of any such assignment (as distinct from the subject transaction).

Very truly yours,

WILSON SONSINI GOODRICH & ROSATI

Professional Corporation

ANNEX A

Reviewed Judgments

[To be determined]

ANNEX B

Reviewed Agreements

1. Indenture, dated as of February 24, 2005, among Sanmina-SCI Corporation, the guarantors named therein and U.S. Bank National Association, as Trustee, as supplemented by (a) First Supplemental Indenture, dated as of September 30, 2005, among Sanmina-SCI USA, Inc., Sanmina-SCI Corporation and U.S. Bank National Association, as Trustee, and (b) Second Supplemental Indenture, dated as of January 3, 2007, between Sanmina-SCI Corporation and U.S. Bank National Association, as Trustee.
 2. Indenture, dated as of February 15, 2006, among Sanmina-SCI Corporation, certain subsidiaries of Sanmina-SCI Corporation, as guarantors, and U.S. Bank National Association, as Trustee, as supplemented by First Supplemental Indenture, dated as of January 3, 2007, between Sanmina-SCI Corporation and U.S. Bank National Association, as Trustee.
 3. Indenture, dated as of June 12, 2007, among Sanmina-SCI Corporation, the guarantors party thereto and Wells Fargo Bank, National Association, as Trustee, relating to the Senior Floating Rate Notes due 2010.
 4. Indenture, dated as of June 12, 2007, among Sanmina-SCI Corporation, the guarantors party thereto and Wells Fargo Bank, National Association, as Trustee, relating to the Senior Floating Rate Notes due 2014.
 5. Amended and Restated Credit and Guaranty Agreement, dated as of December 16, 2005, among Sanmina-SCI Corporation, certain subsidiaries of Sanmina-SCI Corporation, as guarantors, the lenders party thereto from time to time, Bank of America, N.A., as initial issuing bank, Citicorp USA, Inc., as syndication agent, Deutsche Bank Trust Company Americas, KeyBank National Association and The Bank of Nova Scotia, as co-documentation agents, Banc of America Securities LLC and Citigroup Global Markets Inc., as joint book mangers and joint lead arrangers, Bank of America, N.A., as administrative agent, and Citibank, N.A., as collateral agent, as amended by (a) Amendment No.3 and Waiver to Amended and Restated Credit and Guaranty Agreement, dated as of December 29, 2006, among Sanmina-SCI Corporation, the guarantors party thereto, the lenders party thereto, Citibank, N.A., as collateral agent, and Bank of America, N.A., as administrative agent, and (b) Amendment No. 4 to Amended and Restated Credit and Guaranty Agreement, dated as of June 5, 2007, among Sanmina-SCI Corporation, the guarantors party thereto, the lenders party thereto, Citibank, N.A., as collateral agent, and Bank of America, N.A., as administrative agent
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FORM OF CLOSING CERTIFICATE

The undersigned [INSERT TITLE OF RESPONSIBLE OFFICER] of [SANMINA-SCI CORPORATION.] [SANMINA-SCI UK LIMITED][SANMINA ISRAEL] [SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V.] [SANMINA-SCI MAGYARORSZAG ELEKTRONIKAI GYARTO KFT] (the " *Company* ") hereby certifies to DEUTSCHE BANK AG NEW YORK (the " *Administrative Agent* ") as follows:

1. The representations and warranties of the Company set forth in Section 3 of the Revolving Trade Receivables Purchase Agreement dated as of September 21, 2007 (the " *Receivables Purchase Agreement* ") among the Company, each other party named therein as an "Originator", Sanmina-SCI Corporation, Sanmina-UK Limited and Sanmina-SCI Israel Medical Systems Ltd., as Servicers, the Administrative Agent, and the entities and financial institutions named therein as Purchasers, or which are contained in any other Transaction Document or certificate furnished by or on behalf of the Company pursuant thereto are true and correct in all material respects on and as of the date hereof.
2. _____ is [a] [the] duly elected and qualified [insert title of Responsible Officer] of the Company, and the signature set forth for such officer below is such officer's true and genuine signature.
3. No Incipient Termination Event or Termination Event has occurred and is continuing as of the date hereof or after giving effect to the purchase to be made on _____.
4. *Compliance with Money Laundering and Anti-Terrorist Laws.* The Company represents and warrants that it is not and shall take commercially reasonable steps to ensure that it shall not be, and, to its knowledge, that no person who, directly or indirectly, owns a controlling interest in or otherwise controls the Company is or shall be (i) listed on any Governmental Lists, (ii) a person who has been determined to be subject to the prohibitions contained in the Executive Order, including, without limitation, being a person designated under Section 1(b), (c) or (d) of the Executive Order, (iii) a person who acts for or on behalf of, any person, group, or entity on the Governmental Lists or any other person who has been determined to be subject to the prohibitions contained in the Executive Order, (iv) a person who is located in a country with which dealings are prohibited or restricted by the United States government, or (v) to the Company's knowledge, dealing in a prohibited manner with a country or person or entity in a country with which dealings are prohibited or restricted by the United States government. The Company shall require, and shall take reasonable measures to comply with the requirement, that no holder of any direct or indirect interest in the Company is or shall be listed on any of the Governmental Lists or is or shall be a person so designated pursuant to the Executive Order; *provided, however* , none of the foregoing shall apply to any person or entity to the extent that his or its interest is in or through an entity that is domiciled in the United States of America and where securities are traded through a public securities exchange subject to regulations by the United States of America. (b) *Legal Sources of Funds* . The Company represents and warrants that it has taken, and that it shall continue to take, commercially reasonable measures appropriate to the circumstances, with respect to each holder of a direct interest in the Company to assure that funds invested by such holders in the Company are derived from legal sources. These measures will be in accordance with all applicable anti-money laundering laws in _____. (c) *No Investigation, Penalty, or Seizure* . The Company represents and warrants, to its knowledge, that neither it nor any holder of a direct interest in the Company (i) has been charged with or convicted of, money laundering, drug trafficking, terrorist-related activities, or other money laundering predicate crimes or a violation of the BSA or similar _____ legislation, (ii) has been assessed civil penalties under these or related laws, or (iii) has had its funds seized or forfeited in an action under these or related laws. The Company further represents and warrants, to its knowledge, that neither it nor any holder of a

direct interest in the Company is under investigation by any Governmental Authority. As used herein the following capitalized terms have the meanings set forth below:

" *BSA* " means the U.S. Bank Secrecy Act of 1970, as amended.

" *Executive Order* " means that certain U.S. Presidential Executive Order No. 13224 (September 23, 2001).

" *Government Lists* " means (1) the SDN List, (2) the Denied Persons List and the Entity List maintained by the United States Department of Commerce, (3) the List of Designated Foreign Terrorist Organizations and List of Debarred Parties maintained by the United States Department of State, (4) any other publicly-available list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the OFAC Laws and Regulations, and (5) any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, as all such Governmental Lists may be updated from time to time and to extent made publicly available on the respective governmental agency's website.

" *Governmental Authority* " means the United States of America and any agency, authority, court, department, commission, board, bureau or instrumentality of it.

" *OFAC* " means the Office of Foreign Assets Control, United States Department of the Treasury, or any other office, agency or department that succeeds to the duties of OFAC.

" *OFAC Laws and Regulations* " means any lists, laws, rules, sanctions and regulations maintained by OFAC pursuant to any authorizing statute, executive order or regulation, including the Trading with the Enemy Act, 50 U.S.C. App. 1-44, as amended from time to time, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, as amended from time to time, the Iraqi Sanctions Act, Publ. L. No. 101-513; United Nations Participation Act, 22 U.S.C. § 287c, as amended from time to time, the International Security and Development Cooperation Act, 22 U.S.C. § 2349 aa-9, as amended from time to time, The Cuban Democracy Act, 22 U.S.C. §§ 6001-10, as amended from time to time, The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 2339b, as amended from time to time, and The Foreign Narcotics Kingpin Designation Act, Publ. L. No. 106-120, as amended from time to time.

" *SDN List* " means Specially Designated Nationals and Blocked Persons Lists maintained by OFAC, as such list is amended from time to time.

5. The conditions precedent set forth in Sections 4.1 [and 4.2] of the Receivables Purchase Agreement have been satisfied as, except as set forth on Schedule 1 hereto.

The undersigned [title of Representative Officer] of the Company certifies as follows:

6. There are no liquidation or dissolution proceedings pending or to my knowledge threatened against the Company, nor has any other event occurred adversely affecting or threatening the continued corporate existence of the Company.

7. Company is a corporation duly incorporated, validly existing and in good standing under the laws of _____.

8. Attached hereto as *Annex 1* is a true and complete copy of resolutions duly adopted by Board of Directors of the Company on _____, 2007; such resolutions have not in any way been amended, modified, revoked or rescinded, have been in full force and effect since their adoption to and including the date hereof, are now in full force and effect and are the only corporate proceedings of the Company now in force relating to or affecting the matters referred to therein.

9. Attached hereto as *Annex 2* is a true and complete copy of the constitutive corporate documents of the Company as in effect on the date hereof, and such document has not been amended, repealed, modified or restated.

10. The following persons are now duly elected and qualified officers of the Company holding the offices indicated next to their respective names below, and the signatures appearing opposite their respective names below are the true and genuine signatures of such officers, and each of such officers is duly authorized to execute and deliver on behalf of the Company the Receivables Purchase Agreement, each other Transaction Document to which the Company is a party, and any certificate or other document to be delivered by the Company pursuant to the Receivables Purchase Agreement:

Name	Office	Signature
<hr/>		

IN WITNESS WHEREOF, the undersigned have hereunto set our names as of the date set forth below.

Name:

Title:

Date: , 2007

Name:

Title:

**FORM OF
ASSIGNMENT AND ACCEPTANCE**

Reference is made to the Revolving Trade Receivables Purchase Agreement, dated as of September 21, 2007 (as amended, supplemented or otherwise modified from time to time, the "*Purchase Agreement*"), among Sanmina-SCI Magyarorszag Elektronikai Gyarto Kft, Sanmina-SCI Systems de Mexico, S.A. de C.V., Sanmina-SCI Corporation, Sanmina-SCI UK Ltd., Sanmina-SCI Israel Medical Systems Ltd., the several banks and other financial institutions or entities from time to time parties thereto and Deutsche Bank AG, New York Branch, as administrative agent (in such capacity, the "*Administrative Agent*") for the Purchasers. Unless otherwise defined herein, terms defined in the Purchase Agreement and used herein shall have the meanings given to them in the Purchase Agreement.

1. The Assignor identified on Schedule 1 hereto (the "*Assignor*") and the Assignee identified on Schedule 1 hereto (the "*Assignee*") agree as follows:
 2. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), the interest described in Schedule 1 hereto (the "*Assigned Interest*") in and to the Assignor's rights and obligations under the Purchase Agreement in an amount as set forth on Schedule 1 hereto.
 3. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Purchase Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Purchase Agreement, any other Transaction Document or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim; and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Originators or the Servicers or any other obligor or the performance or observance by the Originators or the Servicers or any other obligor of any of their respective obligations under the Purchase Agreement or any other Transaction Document or any other instrument or document furnished pursuant hereto or thereto.
 4. The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Purchase Agreement, together with copies of the financial statements delivered pursuant to subsection 3.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent or any other Purchaser and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Purchase Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Agents to take such action as agents on its behalf and to exercise such powers and discretion under the Purchase Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Purchase Agreement and will perform in accordance with its terms all the obligations which by the terms of the Purchase Agreement are required to be performed by it as a Purchaser.
 5. The effective date of this Assignment and Acceptance shall be the Effective Date of Assignment described in Schedule 1 hereto (the "*Effective Date*"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance by it and
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recording by the Administrative Agent pursuant to the Purchase Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than three Business Days after the date of such acceptance and recording by the Administrative Agent).

6. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

7. From and after the Effective Date, (a) the Assignee shall be a party to the Purchase Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Purchaser thereunder and under the other Transaction Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Purchase Agreement.

8. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

SCHEDULE 1
to Assignment and Acceptance

Name of Assignor: _____

Name of Assignee: _____

Effective Date of Assignment: _____

Investment Assigned

[Tranche A][Tranche B][Tranche C]
[Tranche D]\$

Purchaser's Investment Limit Assigned(1)

[Tranche A][Tranche B][Tranche C]
[Tranche D] . %

[Name Of Assignee]

By: _____

Name:
Title:

[Name Of Assignor]

By: _____

Name:
Title:

Accepted for Recordation in the Register:

Required consents:

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Administrative Agent

By: _____

Name:
Title:

SANMINA-SCI CORPORATION

By: _____

Name:
Title:

SANMINA-SCI UK LIMITED

By: _____

Name:
Title:

SANMINA-SCI ISRAEL MEDICAL SYSTEMS
LTD.

By: _____

Name:
Title:

- _____
(1) Calculate the percentage that is assigned to at least 15 decimal places and show as a percentage of the aggregate commitments of all Purchasers.

FORM OF SPECIAL IRREVOCABLE POWER OF ATTORNEY

[To be executed and delivered by Sanmina México, S.A. de C.V. in the presence of and formalized by a Mexican Notary Public]

"NUMERO

LIBRO

FOLIO

En la ciudad de [] a los [] días del mes de [] del año dos mil cinco, yo, el licenciado [], titular de la notaría número [] del [], hago constar el PODER ESPECIAL IRREVOCABLE, que se consigna al tenor de la siguiente:

CLÁUSULA ÚNICA

"Por medio del presente instrumento, Sanmina México, S.A. de C.V. (la " *Otorgante* "), representada como ha quedado dicho, otorga en favor de la sociedad denominada [**CSC Corporación**] (el " *Agente de Proceso* "), un poder especial irrevocable para pleitos y cobranzas, en los términos del primer y cuarto párrafos del artículo dos mil quinientos cincuenta y cuatro del Código Civil Federal y correlativos de los Estados de la República y del Distrito Federal, limitado en cuanto a su objeto, pero tan amplio como sea necesario, para ser ejercido en cualquier jurisdicción y a efecto de que, en nombre y representación de la Otorgante, reciba toda clase de notificaciones y emplazamientos de cualquier naturaleza en relación con cualquier demanda, acción, procedimiento o juicio, incluyendo, sin limitación alguna, procedimientos judiciales, administrativos o arbitrales, derivados de: (i) el Contrato de Compra de Cuentas por Cobrar (*Revolving Trade Receivables Purchase Agreement*) de fecha [] celebrado entre la Otorgante, [**Include other originators**] , como originadores y Deutsche Bank AG New York Branch, como agente administrador (el " *Contrato de Compraventa* "); (ii) [**Include all other U.S. Documents governed by NY law**] (los " *Documentos NY* ") y (iii) cualquier otro contrato, instrumento o documento relacionado con los Documentos NY. La Otorgante señala como domicilio convencional para recibir cualquiera de las notificaciones o emplazamientos antes citados el ubicado en [• , **New York, NY**, •], U.S.A., o cualquier otro domicilio que en el futuro le notifique el Agente de Proceso por escrito a la Otorgante y a las otras partes de los Documentos NY. El poder contenido en este instrumento es irrevocable, en virtud de que se otorga en cumplimiento de una condición prevista en la Sección (*Section*) 4.1 (h) del Contrato de Compraventa."

FORM OF SPECIAL IRREVOCABLE POWER OF ATTORNEY

[To be executed and delivered by Sanmina México, S.A. de C.V. in the presence of and formalized by a Mexican Notary Public]

Sanmina México, S.A. de C.V. (the "*Grantor*"), hereby grants an irrevocable special power of attorney for litigation and collections in favor of CSC Corporation (the "*Process Agent*"), in terms of the first and fourth paragraphs of article 2554 of the Federal Civil Code and the corresponding articles of the Civil Codes of all States of the United Mexican States and of the Federal District of the United Mexican States. This power of attorney is limited in its scope but is as broad as necessary and may be exercised in any jurisdiction, so that the Process Agent, in the name and on behalf of the Grantor, receives any and all notices and service of process of any nature in connection with any suits, actions, proceedings and judgments of all kinds, including, without limitation, judicial, administrative, or arbitration proceedings relating to: (i) the Revolving Trade Receivables Purchase Agreement dated September 21, 2007 entered into by and between the Grantor, **[Include other originators]**, as originators and Deutsche Bank AG New York, as administrative agent (the "*Purchase Agreement*"); (ii) **[Include all other U.S. Documents governed by NY law]** (the "*NY Documents*") and (iii) any other agreement, instrument or document relating to the NY Documents. The Grantor hereby appoints as its domicile to receive any notices relating thereto [• , **New York, NY**, •], U.S.A, or any other domicile that the Process Agent notifies to the Grantor and to the other parties to the NY Documents, in writing. This power of attorney is granted in satisfaction of certain condition set forth in Section 4.1 (h) of the Purchase Agreement, and is therefore irrevocable."

COLLATERAL ACCOUNT AGREEMENT

Dated as of September 21, 2007

among

SANMINA-SCI MAGYARORSZAG ELEKTRONIKAI GYARTO KFT,

SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V.

and

DEUTSCHE BANK AG, NEW YORK BRANCH,

as Administrative Agent

COLLATERAL ACCOUNT AGREEMENT (as amended, restated, modified or otherwise supplemented from time to time, the "Agreement"), dated as of September 21, 2007 among SANMINA-SCI MAGYARORSZAG ELEKTRONIKAI GYARTO KFT ("Sanmina Hungary"), a Hungarian limited liability company, and SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V. ("Sanmina Mexico"), a Mexican sociedad anónima de capital variable (each, an "Originator" and collectively, the "Originators"), SANMINA-SCI CORPORATION, SANMINA-SCI UK LIMITED and SANMINA-SCI ISRAEL MEDICAL SYSTEMS LTD., as servicers (collectively, the "Servicers"), and DEUTSCHE BANK AG, NEW YORK BRANCH, as administrative agent (in such capacity, together with its successors in such capacity, the "Administrative Agent") for the purchasers party to the Revolving Trade Receivables Purchase Agreement, dated as of September 21, 2007 (as amended, restated, modified or otherwise supplemented from time to time, the "Purchase Agreement"), among the Originators, the Servicers, the Administrative Agent, and the entities named therein as purchasers (the "Purchaser s").

W I T N E S S E T H:

WHEREAS, pursuant to the Purchase Agreement, the Originators intend to sell to Purchasers Scheduled Receivables arising from the sale of Goods to Eligible Buyers, and will instruct such Eligible Buyers to make payments for such into the applicable Collection Account for further transfer to the applicable Payment Account;

WHEREAS, concurrently with the execution and delivery of this Agreement, and in order to induce the Secured Parties (as defined below) to enter into the Purchase Agreement, each Originator is pledging its Collection Accounts, and all property held therein, and assigning its rights under this Agreement, to the Administrative Agent for the benefit of the Purchasers; and

WHEREAS, it is a condition to the Purchasers' agreement to make the Investments under the Purchase Agreement that the Originators enter into this Agreement with the Administrative Agent to govern the operation of the Collection Accounts;

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS.

1.1. Defined Terms. Unless otherwise stated, capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Purchase Agreement referred to above.

SECTION 2. ACCOUNTS.

2.1. Establishment of Collection Accounts. Sanmina Hungary has established with the Administrative Agent in New York City special cash collateral accounts numbers 01474515, entitled "Sanmina Hungary Tranche B Collection Account", and 01475294, entitled "Sanmina Hungary Tranche D Collection Account", to be managed by the Administrative Agent and subject to the exclusive dominion and control of the Administrative Agent (collectively, the "Sanmina Hungary Collection Accounts"). Sanmina Mexico has established with the Administrative Agent in New York City special cash collateral accounts numbers 04879286 entitled "Sanmina Mexico Tranche A Collection Account", 01474128, entitled "Sanmina Mexico Tranche B Collection Account" and 01474953, entitled "Sanmina Mexico Tranche C Collection Account", to be managed by the Administrative Agent and subject to the exclusive dominion and control of the Administrative Agent (collectively, the "Sanmina Mexico Collection Accounts") (the Sanmina-Hungary Collection Accounts and the Sanmina-Mexico Collection Accounts are referred to collectively as the "Collection Accounts" and individually as a "Collection Account"). The Administrative Agent shall maintain the Collection Accounts as control accounts of the Administrative Agent for the benefit of the Secured Parties (as hereinafter defined) and subject to the first priority security interest of the Administrative Agent on behalf of itself and the Purchasers as provided in the Collateral Assignment Agreement. All payments to be made by any Eligible Buyer in

respect of a Scheduled Receivable shall be made directly to the applicable Collection Account, for transfer to the applicable Payment Account in accordance with Sections 6.3 and 6.4 of the Purchase Agreement. All monies deposited in the Sanmina Hungary Tranche A Collection Account and the Sanmina Mexico Tranche A Collection Account and all proceeds of any collection or realization of all or any part of the Tranche A Collateral shall be held or deposited in such Collection Accounts as security for the Tranche A Obligations. All monies deposited in the Sanmina Hungary Tranche B Collection Account and the Sanmina Mexico Tranche B Collection Account and all proceeds of any collection or realization of all or any part of the Tranche B Collateral shall be held or deposited in such Collection Accounts as security for the Tranche B Obligations. All monies deposited in the Sanmina Mexico Tranche C Collection Account and all proceeds of any collection or realization of all or any part of the Tranche C Collateral shall be held or deposited in such Collection Accounts as security for the Tranche C Obligations. All monies deposited in the Sanmina Hungary Tranche D Collection Account and all proceeds of any collection or realization of all or any part of the Tranche D Collateral shall be held or deposited in such Collection Accounts as security for the Tranche D Obligations.

2.2. Amounts in Collection Accounts. Amounts from time to time in the Collection Accounts shall be held for the benefit of the Administrative Agent and the Tranche A Purchasers, the Tranche B Purchasers, the Tranche C Purchasers and the Tranche D Purchasers, as the case may be, and their respective successors and assigns (the "*Secured Parties*", which shall comprise Tranche A Purchasers, Tranche B Purchasers, Tranche C Purchasers or Tranche D Purchasers, as the context may require) in the custody of and under the exclusive dominion and control of the Administrative Agent for the purposes and on the terms set forth in this Agreement. Amounts held in the Collection Accounts shall constitute a part of the Collateral, to the extent provided herein, and shall not constitute payment of the Obligations until applied as hereinafter provided. Upon the request of the Servicers or the Purchasers, such requesting party may at any time and from time to time have access to such information concerning activity in the applicable Collection Accounts as can be furnished or is readily available from the Administrative Agent.

SECTION 3. DEPOSITS, TRANSFERS AND DISBURSEMENTS.

3.1. Whenever the Administrative Agent receives any payment in respect of Scheduled Receivables the Administrative Agent shall credit such payment to the respective Collection Account.

3.2. Disbursements. (a) On each Business Day, the Administrative Agent shall withdraw from the Collection Accounts an amount as directed by the Servicers in writing equal to the payments received in respect of the Tranche A Receivables, Tranche B Receivables, Tranche C Receivables or Tranche D Receivables, as the case may be, plus any amount remitted as interest for such Scheduled Receivables, paid into the Collection Accounts on the preceding Business Day (including any Indemnified Amounts paid by an Originator in respect of Scheduled Receivables under Sections 2.9(a)(iv), (v), (xii), (xiii), (xiv), (xv) or (xvii) or a repurchase pursuant to Section 6.2 of the Purchase Agreement) and transfer such amount (which transfer shall constitute payment of the Obligations) for credit into the Payment Account (Deutsche Bank Trust Company Americas, ABA 021001033, for further credit to Deutsche Bank NY Loan Operations, account no. 60200119, Ref. Sanmina, Attention: Cheryl Mandelbaum/Joe Cusmai) and, subject to subsection (c) below, distribute the excess thereof plus any other amounts in the Collection Account promptly to the applicable Originator as instructed by the Servicers in writing.

(a) Any Indemnified Amounts (other than those included in Section 3.2(a)) shall be allocated and disbursed as the Administrative Agent is instructed in writing by the Administrative Agent from time to time.

(b) Upon receipt of notice thereof from the Servicers or a Purchaser, if any Incipient Termination Event or Termination Event has occurred and is continuing, all amounts deposited in the Collection Accounts shall be retained therein for application in accordance with Section 4.

(c) The Originators shall not have any right of withdrawal in respect of the Collection Accounts or any other right or power with respect to the Collateral, except as expressly provided herein.

3.3 General Rules Relating to Accounts. (a) Amounts received in the Collection Accounts before 1:00 p.m., New York City time, on any Business Day shall be credited to such account on that Business Day. Amounts received in the Collection Accounts after such time on any Business Day shall be credited to such Accounts on the next succeeding Business Day.

(b) If any amount is to be paid into a Collection Account in Euros or another Transaction Currency, such amount shall first be exchanged into Dollars by the Servicers or the Originators prior to any transfer of such amounts to the respective Collection Account.

SECTION 4. APPLICATION OF PROCEEDS.

4.1. Application of Tranche A Proceeds. Except as otherwise expressly provided herein or in the other Transaction Documents, following the occurrence and continuation of a Termination Event, the proceeds of any collection, sale or other realization of all or any part of the Tranche A Collateral pursuant hereto or pursuant to the other Security Documents and any other cash at the time held by the Administrative Agent in the Tranche A Collection Accounts shall be distributed by the Administrative Agent at the times specified in the following order of priority:

FIRST: To the Administrative Agent in an amount equal to the reasonable expenses (including, without limitation, the costs and expenses of collection, sale or other realization of all or any part of the Tranche A Collateral pursuant hereto or pursuant to the other Security Documents and the reasonable fees and expenses of the Administrative Agent's agents and counsel) which are unpaid as of the date of distribution (the "*Administrative Agent's Fees and Expenses*"), and to the Tranche A Purchasers if they have theretofore advanced or paid any of the Administrative Agent's Fees and Expenses in an amount equal to the amount thereof so advanced or paid by such Purchasers prior to such date; *provided*, that nothing herein is intended to relieve the Originators of their respective obligations to pay the Administrative Agent's Fees and Expenses or to obligate the Purchasers to so advance or pay any such amounts;

SECOND: To the Tranche A Purchasers in an amount equal to the unpaid amount of the Purchased Interests owed to the Tranche A Purchasers, as notified to the Administrative Agent by the Administrative Agent, whether or not then due and payable and, in the event such proceeds shall be insufficient to pay in full such amount, then to the payment thereof ratably to each Tranche A Purchaser (without priority of one over any other) in proportion to the unpaid amounts thereof on the relevant date;

THIRD: To the Tranche A Purchasers in an amount equal to the reasonable costs and expenses of, and all other amounts due to, such Secured Parties and their representatives that are payable by the Originators to such Secured Parties under the Purchase Agreement or the other Transaction Documents as notified to the Administrative Agent by the Administrative Agent and, in the event such proceeds shall be insufficient to pay in full such amounts, then to the payment thereof ratably to each of the Tranche A Purchasers (without priority of any one over any other) in proportion to the unpaid amounts due such Secured Party on the relevant date; and

FOURTH: After payment in full of all Tranche A Obligations, any surplus then remaining shall be paid promptly to the applicable Originator or their respective successors or assigns, or as the Servicers or a court of competent jurisdiction may direct.

4.2. Application of Tranche B Proceeds. Except as otherwise expressly provided herein or in the other Transaction Documents, following the occurrence and continuation of a Termination Event, the proceeds of any collection, sale or other realization of all or any part of the Tranche B Collateral pursuant hereto or pursuant to the other Security Documents and any other cash at the time held by the Administrative Agent in the Tranche B Collection Accounts shall be distributed by the Administrative Agent at the times specified in the following order of priority:

FIRST: To the Administrative Agent in an amount equal to the reasonable expenses (including, without limitation, the costs and expenses of collection, sale or other realization of all or any part of the Tranche B Collateral pursuant hereto or pursuant to the other Security Documents and the Administrative Agent's Fees and Expenses, and to the Tranche B Purchasers if they have theretofore advanced or paid any of the Administrative Agent's Fees and Expenses in an amount equal to the amount thereof so advanced or paid by such Purchasers prior to such date; *provided*, that nothing herein is intended to relieve the Originators of their respective obligations to pay the Administrative Agent's Fees and Expenses or to obligate the Purchasers to so advance or pay any such amounts;

SECOND: To the Tranche B Purchasers in an amount equal to the unpaid amount of the Purchased Interests owed to the Tranche B Purchasers, as notified to the Administrative Agent by the Administrative Agent, whether or not then due and payable and, in the event such proceeds shall be insufficient to pay in full such amount, then to the payment thereof ratably to each Tranche B Purchaser (without priority of one over any other) in proportion to the unpaid amounts thereof on the relevant date;

THIRD: To the Tranche B Purchasers in an amount equal to the reasonable costs and expenses of, and all other amounts due to, such Secured Parties and their representatives that are payable by the Originators to such Secured Parties under the Purchase Agreement or the other Transaction Documents as notified to the Administrative Agent by the Administrative Agent and, in the event such proceeds shall be insufficient to pay in full such amounts, then to the payment thereof ratably to each of the Tranche B Purchasers (without priority of any one over any other) in proportion to the unpaid amounts due such Secured Party on the relevant date; and

FOURTH: After payment in full of all Tranche B Obligations, any surplus then remaining shall be paid promptly to the applicable Originator or their respective successors or assigns, or as the Servicers or a court of competent jurisdiction may direct.

As used in this Section 4, "proceeds" of Collateral shall mean cash, securities and any other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation, or adjustment of debt of the Originators or of any issuer of or obligor on any of the Collateral.

4.3. Application of Tranche C Proceeds. Except as otherwise expressly provided herein or in the other Transaction Documents, following the occurrence and continuation of a Termination Event, the proceeds of any collection, sale or other realization of all or any part of the Tranche C Collateral pursuant hereto or pursuant to the other Security Documents and any other cash at the time held by the Administrative Agent in the Tranche C Collection Accounts shall be distributed by the Administrative Agent at the times specified in the following order of priority:

FIRST: To the Administrative Agent in an amount equal to the reasonable expenses (including, without limitation, the costs and expenses of collection, sale or other realization of all or any part of the Tranche C Collateral pursuant hereto or pursuant to the other Security Documents and the Administrative Agent's Fees and Expenses, and to the Tranche C Purchasers if they have theretofore advanced or paid any of the Administrative Agent's Fees and Expenses in an amount equal to the amount thereof so advanced or paid by such Purchasers prior to such date;

provided, that nothing herein is intended to relieve the Originators of their respective obligations to pay the Administrative Agent's Fees and Expenses or to obligate the Purchasers to so advance or pay any such amounts;

SECOND: To the Tranche C Purchasers in an amount equal to the unpaid amount of the Purchased Interests owed to the Tranche C Purchasers, as notified to the Administrative Agent by the Administrative Agent, whether or not then due and payable and, in the event such proceeds shall be insufficient to pay in full such amount, then to the payment thereof ratably to each Tranche C Purchaser (without priority of one over any other) in proportion to the unpaid amounts thereof on the relevant date;

THIRD: To the Tranche C Purchasers in an amount equal to the reasonable costs and expenses of, and all other amounts due to, such Secured Parties and their representatives that are payable by the Originators to such Secured Parties under the Purchase Agreement or the other Transaction Documents as notified to the Administrative Agent by the Administrative Agent and, in the event such proceeds shall be insufficient to pay in full such amounts, then to the payment thereof ratably to each of the Tranche C Purchasers (without priority of any one over any other) in proportion to the unpaid amounts due such Secured Party on the relevant date; and

FOURTH: After payment in full of all Tranche C Obligations, any surplus then remaining shall be paid promptly to the applicable Originator or their respective successors or assigns, or as the Servicers or a court of competent jurisdiction may direct.

As used in this Section 4, "proceeds" of Collateral shall mean cash, securities and any other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation, or adjustment of debt of the Originators or of any issuer of or obligor on any of the Collateral.

4.4. Application of Tranche D Proceeds. Except as otherwise expressly provided herein or in the other Transaction Documents, following the occurrence and continuation of a Termination Event, the proceeds of any collection, sale or other realization of all or any part of the Tranche D Collateral pursuant hereto or pursuant to the other Security Documents and any other cash at the time held by the Administrative Agent in the Tranche D Collection Accounts shall be distributed by the Administrative Agent at the times specified in the following order of priority:

FIRST: To the Administrative Agent in an amount equal to the reasonable expenses (including, without limitation, the costs and expenses of collection, sale or other realization of all or any part of the Tranche D Collateral pursuant hereto or pursuant to the other Security Documents and the Administrative Agent's Fees and Expenses, and to the Tranche D Purchasers if they have theretofore advanced or paid any of the Administrative Agent's Fees and Expenses in an amount equal to the amount thereof so advanced or paid by such Purchasers prior to such date; *provided*, that nothing herein is intended to relieve the Originators of their respective obligations to pay the Administrative Agent's Fees and Expenses or to obligate the Purchasers to so advance or pay any such amounts;

SECOND: To the Tranche D Purchasers in an amount equal to the unpaid amount of the Purchased Interests owed to the Tranche D Purchasers, as notified to the Administrative Agent by the Administrative Agent, whether or not then due and payable and, in the event such proceeds shall be insufficient to pay in full such amount, then to the payment thereof ratably to each Tranche D Purchaser (without priority of one over any other) in proportion to the unpaid amounts thereof on the relevant date;

THIRD: To the Tranche D Purchasers in an amount equal to the reasonable costs and expenses of, and all other amounts due to, such Secured Parties and their representatives that are payable by the Originators to such Secured Parties under the Purchase Agreement or the other

Transaction Documents as notified to the Administrative Agent by the Administrative Agent and, in the event such proceeds shall be insufficient to pay in full such amounts, then to the payment thereof ratably to each of the Tranche D Purchasers (without priority of any one over any other) in proportion to the unpaid amounts due such Secured Party on the relevant date; and

FOURTH: After payment in full of all Tranche D Obligations, any surplus then remaining shall be paid promptly to the applicable Originator or their respective successors or assigns, or as the Servicers or a court of competent jurisdiction may direct.

As used in this Section 4, "proceeds" of Collateral shall mean cash, securities and any other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation, or adjustment of debt of the Originators or of any issuer of or obligor on any of the Collateral.

SECTION 5. AUTHORITY OF ADMINISTRATIVE AGENT. Each of the Originators acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the Purchasers, be governed by the Agency Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Originators, the Administrative Agent shall be conclusively presumed to be acting as Administrative Agent for the Purchasers with full and valid authority so to act or refrain from acting, and the Originators shall not be under any obligation, or entitlement, to make any inquiry respecting such authority. The Administrative Agent shall be entitled to such indemnity as is provided in the Purchase Agreement. Notwithstanding anything herein to the contrary, in no event shall the Administrative Agent have any liability, responsibility or obligations concerning (i) the establishment, management or maintenance of any accounts not initially established and maintained with the corporate trust group of the Administrative Agent, or (ii) any failure of any financial institution maintaining such accounts to perform its obligations in respect of such accounts.

In no event shall the Administrative Agent be required to accept moneys in any currency other than U.S. dollars. The Administrative Agent shall have no liability for any losses incurred with respect to any currency conversion hereunder or for the performance of any agent appointed hereunder to convert any currency to U.S. dollars.

SECTION 6. NOTICES. All notices, requests and demands to or upon the Originators or the Administrative Agent to be effective shall be in writing (including by telecopy) and shall be deemed to have been duly given or made (a) if by hand, when delivered or (b) if by telecopy or courier, when received by the addressee, addressed to at their respective addresses or transmission numbers for notices provided in Section 9.2 of the Purchase Agreement.

SECTION 7. AMENDMENTS; NO WAIVER; CUMULATIVE REMEDIES.

7.1. **Amendments.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Originators and the Administrative Agent, provided that any provision of this Agreement may be waived by the Administrative Agent in a letter or agreement executed by the Administrative Agent or by telex or facsimile transmission from the Administrative Agent.

7.2. **No Waiver.** No failure to exercise and no delay in exercising, on the part of the Administrative Agent or the Purchasers, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

7.3. Cumulative Remedies. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any other rights, remedies, powers and privileges provided by law.

SECTION 8. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the Servicers, the Originators, the Purchasers, the Administrative Agent, all future holders of the Purchased Interests and their respective successors and assigns, except that no Originator may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Purchaser.

SECTION 9. COUNTERPARTS. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Servicers and the Administrative Agent.

SECTION 10. SEVERABILITY. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11. INTEGRATION. This Agreement and the other Transaction Documents represent the entire agreement of the Originators, the Servicers, the Administrative Agent and the Purchasers with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or the Purchasers relative to the subject matter hereof not expressly set forth or referred to herein or in the other Transaction Documents.

SECTION 12. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 13. JUDGMENT CURRENCY. The obligations of the Originators under this Agreement and the other Transaction Documents and the obligations to make payments to the Administrative Agent or the Purchasers shall, notwithstanding any judgment in a currency (the "judgment currency") other than Dollars, be discharged only to the extent that on the Business Day following receipt by such party of any sum adjudged to be so due in the judgment currency, such party may in accordance with normal banking procedures purchase Dollars with the judgment currency. If the amount of Dollars so purchased is less than the sum originally due to such party in Dollars, each Originator agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such party against such documented loss, and if the amount of Dollars so purchased exceeds the sum originally due to any party to this Agreement or any other Transaction Document, such party agrees to remit promptly to the Servicers such excess.

SECTION 14. WAIVER OF JURY TRIAL. EACH ORIGINATOR AND THE ADMINISTRATIVE AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 15. SECTION HEADINGS. The section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each Seller, the Servicers and the Administrative Agent have caused this Agreement to be duly executed by their duly authorized officers all as of the date first above written.

SANMINA-SCI MAGYARORSZAG ELEKTRONIKAI
GYARTO KFT

By:

Name:

Title:

SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V.

By:

Name:

Title:

SANMINA-SCI CORPORATION

By:

Name:

Title:

SANMINA-SCI UK LIMITED

By:

Name:

Title:

SANMINA-SCI ISRAEL MEDICAL SYSTEMS LTD.

By:

Name:

Title:

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Administrative Agent

By:

Name:

Title:

Purchase Notice

Date:

This irrevocable Purchase Notice is delivered in accordance with Section 2.2 of the Revolving Trade Receivables Purchase Agreement (as amended, restated, modified or otherwise supplemented from time to time, the "Agreement") dated as of September 21, 2007 among Sanmina-SCI Magyarország Elektronikai Gyártó Kft, a Hungarian limited liability company, Sanmina-SCI Systems de Mexico, S.A. de C.V., a Mexican sociedad anónima de capital variable, as Originators, Sanmina-SCI Corporation, Sanmina-SCI UK Limited and Sanmina-SCI Israel Medical Systems Ltd., as Servicers, Deutsche Bank AG, New York Branch, as Administrative Agent, and the several banks and other financial institutions parties thereto as Purchasers. All capitalized terms used herein shall have the meanings given to them in the Agreement, unless otherwise defined. On behalf of the Originator, the Servicer requests that the Purchaser make the following Investments with respect to the Scheduled Receivables presented in the attached schedule:

I. Receivables

- A) Aggregate Amount and Tranche of Scheduled Receivables: [Tranche A][Tranche B][Tranche C][Tranche D] \$
- B) Anticipated Purchase Date and Purchased Interest of Scheduled Receivables:
- C) A schedule of the Scheduled Receivables and scheduled Due Dates, including calculation of Obligor Limits, is attached.
- D) The Receivables Presentation also is attached.

All of such Scheduled Receivables are Eligible Receivables. We certify that none of the Scheduled Receivables have been the subject of a prior Purchase Notice, and that the information provided in this Purchase Notice and the attached schedule is true and correct.

[name of Servicer]

[Signed]

Name:

Title:

SERVICERS' REPORT

BY E-MAIL

Date:

Deutsche Bank AG New York,

Attention: nancy.adamo@db.com; bridget.case@db.com; cheryl.mandelbaum@db.com

In accordance with Section 6.3 of the Revolving Trade Receivables Purchase Agreement dated as of September 21, 2007, as amended, among Sanmina-SCI Magyarorszag Elektronikai Gyarto Kft, a Hungarian limited liability company, and Sanmina-SCI Systems de Mexico, S.A. de C.V., a Mexican sociedad anónima de capital variable, as Originators, Sanmina-SCI Corporation, Sanmina-SCI UK Limited and Sanmina-SCI Israel Medical Systems Ltd., as Servicers, Deutsche Bank AG, New York Branch, as Administrative Agent, and the several banks and other financial institutions parties thereto as Purchasers (the "Agreement"), we hereby provide the following information in regard to Collections of Scheduled Receivables for the [date]. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Agreement.

A. The following Collections were received by credit to the applicable Collection Account:

1. [Tranche A][Tranche B][Tranche C][Tranche D] Scheduled Receivables listed pursuant to Purchase Notice no. [] dated []:

Process Nr.:	Purchased Interest:	Total Receivable Paid
Total:	\$	
Eligible Obligor:		
Total:	\$	

Eligible Obligor:

2. [Tranche A][Tranche B][Tranche C][Tranche D] Scheduled Receivables listed pursuant to Purchase Notice no. [] dated []:

Process Nr.:	Purchased Interest:	Total Receivable Paid
Total:	\$	
Eligible Obligor:		
Total:	\$	

Eligible Obligor:

3. [Tranche A][Tranche B][Tranche C][Tranche D] Scheduled Receivables listed pursuant to Purchase Notice no. [] dated []:

Process Nr.:	Purchased Interest:
Total:	\$

Eligible Obligor:

PLEASE TRANSFER % OF TOTAL RECEIVABLES PAID, REPRESENTING \$, TO THE PAYMENT ACCOUNT IN ACCORDANCE WITH THE TERMS OF THE COLLATERAL ACCOUNT AGREEMENT.

B. Collections were made in an amount less than the Purchased Interest amount of the respective [Tranche A][Tranche B][Tranche C] [Tranche D] Scheduled Receivables listed below:

Process Nr.:	Eligible Buyer:	Purchased Interest:	Collection Amount:
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The Servicer has taken the following steps to obtain Collection of the Scheduled Receivables listed above:

C. The following [Tranche A][Tranche B][Tranche C][Tranche D] Scheduled Receivables were not paid on their respective Scheduled Due Dates:

Process Nr.	Eligible Buyer:	Scheduled Due Date:	Purchased Interest:
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The Servicer has taken the following steps to obtain Collection of the Scheduled Receivables listed above:]**

We certify this report to be true and correct.

Sincerely,

[Servicer]

*If no collections were made on a Business Day, please so indicate.

** The report is to include the items covered at B and C only on the last Business Day of a Yield Period.

Receivables Presentation:

Date of Presentation:

Eligible Buyer: []			
Date of Invoice/Shipment:	Invoice Number:	Amount (USD):	Scheduled Maturity Date:
1.			
2.			
3.			
Total by Eligible Buyer:		\$	
Eligible Buyer: []			
Date of Invoice/Shipment:	Invoice Number:	Amount (USD):	Scheduled Maturity Date:
1.			
2.			
3.			
Total by Eligible Buyer:		\$	
Eligible Buyer: []			
Date of Invoice/Shipment:	Invoice Number:	Amount (USD):	Scheduled Maturity Date:
1.			
2.			
3.			
Total by Eligible Buyer:		\$	
Eligible Buyer: []			
Date of Invoice/Shipment:	Invoice Number:	Amount (USD):	Scheduled Maturity Date:
1.			
2.			
3.			
Total by Eligible Buyer:		\$	
Total Scheduled Receivables:		\$	

Purchase Calculation Notice

, 200

Each of the [Tranche A][Tranche B][Tranche C][Tranche D] Purchasers party to the Revolving Trade Receivables Purchase Agreement dated as of September 21, 2007, as amended

In accordance with Section 2.2 of the captioned Revolving Trade Receivables Purchase Agreement we hereby inform you as follows:

1. For the Purchase Date , 200 (the "Purchase Date"), the aggregate amount of [Tranche A][Tranche B][Tranche C][Tranche D] Scheduled Receivables to be purchased on such Purchase Date is \$.
2. Your Purchaser's [Tranche A][Tranche B][Tranche C][Tranche D] Investment Percentage of such Investment is %, and your Investment is \$, which amount should be made available to the Administrative Agent pursuant to Section 2.2 of the Receivables Purchase Agreement on the Purchase Date to our account no. at .
3. \$ of Indemnified Amounts and interest are due and payable and will be deducted from the Investments to be made on the Purchase Date.

Very truly yours,

DEUTSCHE BANK AG NEW YORK,
as Administrative Agent

By: _____

FORM OF RECEIVABLES TRANSFER AGREEMENT, TO BE EXECUTED EACH TIME, SCHEDULED RECEIVABLES ARE BEING ASSIGNED

RECEIVABLES TRANSFER AGREEMENT (THE " *AGREEMENT* "), dated [*insert relevant Purchase Date*] between SANMINA-SCI MAGYARORSZÁG ELEKTRONIKAI GYÁRTÓ KFT, a limited liability company (in Hungarian: " *Korlátolt Felelősségű Társaság* ") duly incorporated and validly existing under the laws of Hungary (the " *Seller* "), and DEUTSCHE BANK AG, NEW YORK BRANCH, a German banking corporation having a branch office at 60 Wall Street, New York, New York 10005 (the " *Administrative Agent* "), not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers under the REVOLVING TRADE RECEIVABLES PURCHASE AGREEMENT (this " *Agreement* "), dated as of September 21, 2007 (the " *Purchase Agreement* "), entered into among Sanmina-SCI Systems de Mexico S.A. de C.V and the Seller, as originators, Sanmina-SCI Corporation, Sanmina-SCI UK Limited and Sanmina-SCI Israel Medical Systems Ltd., as servicers, the several banks and other financial institutions or entities from time to time parties thereto, as purchasers, and the Administrative Agent, in such capacity.

WITNESSETH:

WHEREAS, on September 21, 2007, the Seller, as originator, entered into the Purchase Agreement pursuant to which, among other things, each Purchaser (as defined in the Appendix referred to below) severally agreed to purchase from time to time from the Originators (as defined in the Appendix referred to below) ownership interests in the Scheduled Receivables (as defined in the Appendix referred to below) in an amount not to exceed at any time outstanding the amount of such Purchaser's Investment Limit (as defined in the Appendix referred to below); and

WHEREAS, pursuant to the Purchase Agreement, the Seller desires to sell to the Purchasers, and the Administrative Agent, not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers, desires to purchase, the Eligible Receivables (as defined in the Appendix referred to below) created from the sale of Goods (as defined in the Appendix referred to below) by the Seller to [*insert name of counterparty under the supply agreement*] (the " *Scheduled Receivables* "), subject to the terms and conditions hereof.

REPRESENTATIONS AND WARRANTIES:

I. The Seller hereby represents and warrants, that:

- (a) it is a limited liability company (" *Korlátolt Felelősségű Társaság* ") , duly incorporated and validly existing under the laws of Hungary;
 - (b) it is the sole legal and beneficial owner of, and has legal, valid and marketable title to, the Scheduled Receivables, free and clear of any Liens (as defined in the Appendix referred to below), encumbrances or options or any other ownership limitations or preemptive rights of any kind;
 - (c) it has taken all necessary action to authorize the execution of this Agreement and perform the obligations assumed by it hereunder, which are legal, valid and enforceable against the Seller in accordance with their terms;
 - (d) as of the date hereof, there is no pending and, to its knowledge, threatened action, claim, requirement or proceeding before any Governmental Authority (as defined in the Appendix referred to below) or arbitrator that affects or could reasonably be expected to affect the legality, validity or enforceability of this Agreement;
 - (e) the entering into and performance of this Agreement does not violate, or constitute a breach under (i) any provision of the by-laws or other constitutional documents of the Seller; (ii) any material agreement, contract, license, judgment or order to which the Seller is a party or
-

by which the Seller or any of its assets is bound; or (iii) any law, regulation, circular, order or decree of any branch of power or governmental entity applicable to the Seller;

(f) it is the Seller's intention to transfer and assign in favor of the Administrative Agent, not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers, the Scheduled Receivables, with everything that corresponds thereto in law or in fact, in the terms set forth herein; and

(g) the individual (s) executing this Agreement in the name and on behalf of the Seller has all the necessary power, authority and corporate authorizations to execute and deliver this Agreement in the name and on behalf of the Seller, as evidenced by a company extract obtained from the Competent Court of Registration in Hungary not earlier than 30 days prior to the date of this Agreement, and that such powers, authority and corporate authorizations have not been revoked, modified or limited in any way.

II. The Administrative Agent, not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers, hereby represents and warrants, that:

(a) it is a German banking corporation having a branch office at 60 Wall Street, New York, New York 10005, with full legal capacity and corporate authority to enter into, deliver and perform its obligations and duties under this Agreement; and

(b) the individual executing this Agreement in the name and on behalf of the Administrative Agent has all necessary power, authority and corporate authorization to execute and deliver this Agreement in the name and on behalf of the Administrative Agent, and that such powers, authority and corporate authorizations have not been revoked, modified or limited in any way.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 *Definitions.* Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in Appendix A of the Purchase Agreement.

ARTICLE II

ASSIGNMENT OF SCHEDULED RECEIVABLES

2.1 *Assignment of Scheduled Receivables.* Subject to the terms and conditions of this Agreement, and in reliance on the agreements, representations and warranties herein contained and made pursuant hereto, (i) the Seller hereby assigns to the Administrative Agent, not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers, and the Administrative Agent hereby purchases, all of the Seller's right, title and interest in, to and under the Scheduled Receivables the list of which is contained in Schedule 1, and (ii) the Administrative Agent, shall transfer to the Seller pursuant to the terms of this Agreement an amount equal to 100% of the invoice/face amount of the corresponding Scheduled Receivable.

2.2 *Purchase Price.* The amount payable by the Administrative Agent to the Seller for the purchase of all the Scheduled Receivables and the proceeds thereof sold hereunder shall be equal to 95% of the invoice/face amount of the corresponding Scheduled Receivable.

2.3 *Payment Instructions.* All payments to the Seller shall be made in accordance with the Clause 2.2 of the Purchase Agreement by wire transfer in immediately available funds to account no.

([]) at (ABA), or to such other account as the Seller shall designate in writing to the Administrative Agent at least five Business Days prior to such payment.

ARTICLE III

CONDITIONS PRECEDENT

3.1 *Conditions Precedent to the Purchase of Scheduled Receivables.* The obligations of the Administrative Agent to purchase the Scheduled Receivables is conditioned (i) upon the advance to the Administrative Agent by the Purchasers of the amount equal to 95% of the invoice/face amount of the corresponding Scheduled Receivable; (ii) delivery of an assignment notice to [*insert name of counterparty under the supply agreement*], substantially in the form attached hereto as Schedule 2.

ARTICLE IV

MICELLANEOUS

4.1 *Amendments or Waiver.* Any provisions of this Agreement may be amended or waived only with the written consent of the parties hereto.

4.2 *Successors and Assigns.* Except as otherwise provided herein, the provisions of this Agreement (including any amendments, modifications and waivers hereof properly adopted), shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

4.3 *Governing Law.* This Agreement shall be governed by, and construed in accordance with, Hungarian law.

4.4 *Submission To Jurisdiction; Waivers*

(a) each party to this Agreement hereby irrevocably and unconditionally submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York sitting in the City of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) each party to this Agreement consents that any such action or proceeding may be brought in such courts and to the extent permitted by Hungarian law expressly and irrevocably waives (i) any objection that it may now or hereafter have to the venue of any such action, (ii) proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same and (iii) any right to any other jurisdiction that may apply by virtue of its present or future domicile, or for any other reason;

(c) the Seller hereby irrevocably and unconditionally appoints CSC Corporation (the " *New York Process Agent* "), with an office on the date hereof at 1133 Avenue of the Americas, New York, New York 10036, as its agent to receive on its behalf and on behalf of its property, service of copies of the summons and complaint and any other process that may be served in any such action or proceeding in any such New York State or U.S. federal court and agrees promptly to appoint a successor New York Process Agent in New York City (which successor New York Process Agent shall accept such appointment in writing prior to the termination, for any reason, of the appointment of the initial New York Process Agent) and promptly to provide written notice to the Administrative Agent of the appointment of such successor New York Process Agent. In any such action or proceeding in such New York State or U.S. federal court sitting in New York City, such service may be made on the Seller by delivering in person a copy of such process to the Seller in care of the appropriate New York Process Agent at such New York Process Agent's address, and a copy of such process shall be forwarded to the Seller's address. The Seller hereby irrevocably and unconditionally authorize and direct such New York

Process Agent to accept such service on their behalf and promptly to forward a copy of such service to the Seller;

(d) each party consents to service of process in the manner provided for notices in Section 9.2 of the Purchase Agreement and agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) each party waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 9.12 any special, exemplary, punitive or consequential damages.

4.5 *Notices.* All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered or, in the case of telecopy notice, when received, addressed as follows or to such address as may be hereafter notified by the respective parties hereto:

To the Seller:

Attn: _____

Fax: _____

To the Administrative Agent:

Deutsche Bank AG New York
60 Wall Street
New York, New York 10005

Attn: Nancy Adamo / Thomas Sakellariou
Fax: 212-797-0473

4.6 *Severability.* To the fullest extent permitted by law, any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

4.7 *Counterparts.* This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Administrative Agent.

4.8 *Headings and Table of Contents.* Sections headings and the table of contents in this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SANMINA-SCI MAGYARORSZÁG ELEKTRONIKAI
GYÁRTÓ KFT,

By:

Name:

Title:

DEUTSCHE BANK AG, NEW YORK BRANCH, as
Administrative Agent

By:

Name:

Title:

By:

Name:

Title:

SCHEDULE 1

[*list of Scheduled Receivables to be inserted*]

SCHEDULE 2

FORM OF ASSIGNMENT NOTICE

[Date]

To: [*insert name of counterparty under the supply agreement*]

Pursuant to the provisions of the Receivables Transfer Agreement (the "Agreement") concluded between Sanmina-SCI Magyarország Elektronikai Gyártó Kft. (the "Seller") and Deutsche Bank AG, New York Branch (the "Administrative Agent"), not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers under the REVOLVING TRADE RECEIVABLES PURCHASE AGREEMENT (this " *Agreement* "), dated as of September 21, 2007 (the "Purchase Agreement"), we hereby notify you that the we have assigned certain receivables originated under the terms of our supply agreement the list of which is attached to this letter.

Yours sincerely,

SANMINA-SCI MAGYARORSZÁG ELEKTRONIKAI GYÁRTÓ KFT.

By:

Name:

Title:

By:

Name:

Title:

RECEIVABLES TRANSFER AGREEMENT

BETWEEN

SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V.

AS SELLER

AND

DEUTSCHE BANK AG NEW YORK,

AS ADMINISTRATIVE AGENT

DATED AS OF , 2007

RECEIVABLES TRANSFER AGREEMENT (THE "AGREEMENT"), dated as of _____, 2007 between SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V., a *sociedad anónima de capital variable* duly organized and validly existing under the laws of Mexico (the "Seller"), and DEUTSCHE BANK AG NEW YORK BRANCH, a German banking corporation having a branch office at 60 Wall Street, New York, New York 10005 (the "Administrative Agent"), not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers under the Revolving Trade Receivables Purchase Agreement dated as of September •, 2007 (the "Purchase Agreement"), entered into among Sanmina-SCI Magyarország Elektronikai Gyarto Kft and the Seller, as originators, Sanmina-SCI Corporation, Sanmina-SCI UK Limited and Sanmina-SCI Israel Medical Systems Ltd, as servicers, the several banks and other financial institutions or entities from time to time parties thereto, as purchasers, and the Administrative Agent, in such capacity.

W I T N E S S E T H:

WHEREAS, on September •, 2007, the Seller, as originator, entered into the Purchase Agreement pursuant to which, among other things, each Purchaser (as defined in the Appendix referred to below) severally agreed to purchase from time to time from the Originators (as defined in the Appendix referred to below) ownership interests in the Scheduled Receivables (as defined in the Appendix referred to below) in an amount not to exceed at any time outstanding the amount of such Purchaser's Investment Limit (as defined in the Appendix referred to below); and

WHEREAS, pursuant to the Purchase Agreement, the Seller desires to sell to the Purchasers, and the Administrative Agent, not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers, desires to purchase, the Eligible Receivables (as defined in the Appendix referred to below) specified on Schedule 1 attached hereto created from the sale of Goods (as defined in the Appendix referred to below) by the Seller to [IBM de México Comercialización y Servicios, S.A. de C.V. ("IBM Mexico")] [Lenovo (Singapore) PTE Ltd ("Lenovo")] to [IBM Corporation ("IBM")] [IBM Singapore PTE Ltd ("IBM Singapore")] (the "Transferred Receivables"), subject to the terms and conditions hereof.

REPRESENTATIONS AND WARRANTIES:

I. The Seller hereby represents and warrants, through its duly authorized legal representative and under oath, that:

(a) it is a *sociedad anónima de capital variable*, duly organized and validly existing under the laws of the United Mexican States ("Mexico"), as evidenced in public deed number 13163, dated February 20, 1978, granted before Mr. Xavier Rosas Cevallos, Notary Public No. 3 of the Bravo District, State of Chihuahua, registered with the Public Registry of Property and Commerce of Ciudad Juarez, Chihuahua on March 10, 1987, under number 370, Page 162, Book No. 291, Commerce Section;

(b) it is the sole legal and beneficial owner of, and has legal, valid and marketable title to, the Transferred Receivables, free and clear of any Liens (as defined in the Appendix referred to below), encumbrances or options or any other ownership limitations or preemptive rights of any kind;

(c) it has taken all necessary action to authorize the execution and delivery of this Agreement and to perform the obligations assumed by it hereunder, which are legal, valid and enforceable against the Seller in accordance with their terms;

(d) as of the date hereof, there is no pending and, to its knowledge, threatened action, claim, requirement or proceeding before any Governmental Authority (as defined in the Appendix

referred to below) or arbitrator that affects or could reasonably be expected to affect the legality, validity or enforceability of this Agreement;

(e) the entering into and performance of this Agreement does not violate, or constitute a breach under (i) any provision of the by-laws or other organizational documents of the Seller; (ii) any material agreement, contract, license, judgment or order to which the Seller is a party or by which the Seller or any of its assets is bound; or (iii) any law, regulation, circular, order or decree of any branch of power or governmental entity applicable to the Seller;

(f) it is the Seller's intention to transfer and assign in favor of the Administrative Agent, not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers, the Transferred Receivables, with everything that corresponds thereto in law or in fact, in the terms set forth herein; and

(g) the individual executing this Agreement in the name and on behalf of the Seller has all the necessary power, authority and corporate authorizations to execute and deliver this Agreement in the name and on behalf of the Seller, as evidenced in public deed number [], dated [], granted before Mr. [], Notary Public No. [] of the [Federal District], registered with the Public Registry of Property and Commerce of the [Federal District] on [], under commercial folio number [], and that such powers, authority and corporate authorizations have not been revoked, modified or limited in any way.

II. The Administrative Agent, not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers, hereby represents and warrants, through its duly authorized legal representative and under oath, that:

(a) it is a German banking corporation having a branch office at 60 Wall Street, New York, New York 10005, with full legal capacity and corporate authority to enter into, deliver and perform its obligations and duties under this Agreement; and

(b) the individual executing this Agreement in the name and on behalf of the Administrative Agent has all necessary power, authority and corporate authorization to execute and deliver this Agreement in the name and on behalf of the Administrative Agent, and that such powers, authority and corporate authorizations have not been revoked, modified or limited in any way.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in Appendix A.

ARTICLE II PURCHASE AND SALE OF TRANSFERRED RECEIVABLES

2.1 Purchase and Sale of Transferred Receivables. Subject to the terms and conditions of this Agreement, and in reliance on the agreements, representations and warranties herein contained and made pursuant hereto, (i) the Seller hereby sells, assigns, transfers and conveys to the Administrative Agent, not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers, and the Administrative Agent hereby purchases, all of the Seller's right, title and interest in, to and under the Transferred Receivables and (ii) the Administrative Agent, shall transfer to the Seller pursuant to the terms of this agreement an amount equal to the Investment.

2.2 Purchase Price. The amount payable by the Administrative Agent to the Seller for the purchase of all the Transferred Receivables and the proceeds thereof sold hereunder shall be equal to the Investment.

2.3 Payment Instructions. All payments to the Seller shall be made by wire transfer in immediately available funds to account no. (Sanmina Mexico) at (ABA), or to such other account as the Seller shall designate in writing to the Administrative Agent at least five Business Days prior to such payment.

ARTICLE III CONDITIONS PRECEDENT

3.1 Conditions Precedent to the Purchase of Transferred Receivables. The obligations of the Administrative Agent to purchase the Transferred Receivables is conditioned (i) upon the advance to the Administrative Agent by the Purchasers of the amount of the Investment; (ii) notarization of this Agreement before a Mexican notary public, and (iii) [delivery to IBM Mexico of a payment notice, before a Mexican notary public, in terms of the form attached hereto as Exhibit "A", such notary public to issue his *acta* evidencing delivery of such payment notice] [delivery to [IBM] [Lenovo] [IBM Singapore] of a payment notice, before two witnesses, in terms of the form attached hereto as Exhibit "A"].

ARTICLE IV MICELLANEOUS

4.1 Amendments or Waiver. Any provisions of this Agreement may be amended or waived only with the written consent of the parties hereto.

4.2 Successors and Assigns. Except as otherwise provided herein, the provisions of this Agreement (including any amendments, modifications and waivers hereof properly adopted), shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

4.3 Governing Law; Jurisdiction. For all matters relating to the interpretation and fulfillment of this Agreement, the parties hereto expressly and irrevocably submit to the applicable laws of Mexico, and to the jurisdiction of the competent courts sitting in Mexico, Federal District, Mexico, with respect to any action or proceeding arising out of or relating hereto, and the parties hereby expressly and irrevocably waive all rights to any other jurisdiction to which they may be entitled to by virtue of their present or future domiciles, or by any other reason.

4.4 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered or, in the case of telecopy notice, when received, addressed as follows or to such address as may be hereafter notified by the respective parties hereto:

To the Seller:

2300 Highway 79 South
P.O. Box 1900
Guntersville, AL 35976
Attn: Accounts Receivable Manager
Fax: (256) 505-4414

To the Administrative Agent:

Deutsche Bank AG New York Branch
60 Wall Street
New York, New York 10005
Attn: Nancy Adamo /Carol Khan/Thomas Sakellariou
Fax: (212) 797-0473

4.5 Severability. To the fullest extent permitted by law, any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

4.6 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Administrative Agent.

4.7 Headings and Table of Contents. Sections headings and the table of contents in this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SANMINA-SCI SYSTEMS DE MEXICO, S.A. de C.V.

By:

Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent

By:

Name:
Title:

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Receivables Transfer Agreement

" *Administrative Agent* " has the meaning set forth in the preamble of this Agreement.

" *Agreement* " means this Receivables Transfer Agreement.

" *Eligible Receivables* " has the meaning set forth in the Purchase Agreement.

" *Goods* " means electronic and other manufactured products produced by Sanmina-SCI Corporation or its subsidiaries.

["IBM"] means IBM Corporation

[" *IBM Mexico* " means IBM de México Comercialización y Servicios S.A. de C.V.]

["IBM Singapore" means IBM Singapore PTE Ltd]

" *Investment* " means U.S.\$, which is equal to 100% of the invoice/face amount of the Scheduled Receivables.

["Lenovo"] means Lenovo (Singapore) PTE Ltd.

" *Lien* " means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest of any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including without limitation, any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

" *Originators* ": means collectively, Sanmina-SCI Magyarország Elektronikai Gyarto Kft, a limited liability company incorporated under the laws of the Republic of Hungary, and the Seller.

" *Purchase Agreement* " has the meaning set forth in the preamble of this Agreement.

" *Purchaser* ": means the financial institutions and other entities that become "Purchasers" under the Purchase Agreement.

" *Purchaser's Investment Limit* " has the meaning set forth in the Purchase Agreement.

" *Seller* " has the meaning set forth in the preamble of this Agreement.

" *Transferred Receivables* " has the meaning set forth in the Witnesseth Section of this Agreement.

[Date]

**IBM de México Comercialización y Servicios, S.A. de C.V.
Alfonso Nápoles Gándara 3111
Colonia Parque Corporativo de Peñablanca
01210 México, D.F.**

Attn: Jose Rogelio Velasco]

Re: Transfer of Receivables.

Ladies and Gentlemen:

We make reference to the Revolving Trade Receivables Purchase Agreement dated as of September [], 2007, the " *Agreement* "), entered into between Sanmina-SCI Systems de México, S.A. de C.V. (the " *Seller* ") and Deutsche Bank AG New York (the " *Administrative Agent* "), not in its individual capacity but acting in its

[Fecha]

**IBM de México Comercialización y Servicios, S.A. de C.V.
Alfonso Nápoles Gándara 3111
Colonia Parque Corporativo de Peñablanca
01210 México, D.F.**

Atención: José Rogelio Velasco]

Re: Transferencia de Cuentas por Cobrar.

Señoras y Señores:

Hacemos referencia al Contrato de Transmisión de Cuentas por Cobrar de fecha [] de septiembre de 2007, el " *Contrato* ") celebrado por Sanmina-SCI Systems de México, S.A. de C.V. (el " *Vendedor* ") y Deutsche Bank AG New York (el " *Agente Administrativo* "), en calidad de Agente Administrativo actuando a

capacity as Administrative Agent for the Purchasers under the Purchase Agreement (as such terms are defined in the Agreement). Capitalized terms used and not otherwise defined herein are used as defined in the Agreement.

The Seller hereby notifies to [IBM de México Comercialización y Servicios, S.A. de C.V. (" *IBM Mexico* ") or IBM Corporation ("IBM")], that pursuant to the Agreement, the Seller sold, assigned, transferred and conveyed to the Administrative Agent for the Purchasers the Scheduled Receivables created from the sale of Goods by the Seller to [IBM Mexico or IBM], identified on the Schedule 1 hereto and the proceeds thereof (collectively, the " *Transferred Assets* ").

Based on the foregoing, and unless otherwise instructed in writing by the Administrative Agent, the undersigned hereby irrevocably instructs you that all payments made or required to be made by you or on your behalf from time to time after your receipt and execution of this Payment Instruction derived from or in connection with the Transferred Assets, shall be made directly to the following account:

Deutsche Bank Trust Company Americas, NY, NY

ABA: 021 001 033

Account#: [04879286 or 01 474 953]

nombre y por cuenta de los Compradores (Purchasers) en el Contrato de Compra Venta (Purchase Agreement) (según dichos términos se definen en el Contrato). Los Términos en mayúsculas utilizados en este documento y que no se encuentren definidos en el mismo, tendrán el significado que se le atribuye a los mismos en el Contrato.

Por medio de la presente, el Vendedor notifica a IBM de México Comercialización y Servicios, S.A. de C.V. (" *IBM* ") que de conformidad con el Contrato, el Vendedor vendió, cedió, transfirió y transmitió al Agente Administrativo actuando a nombre y por cuenta de los Compradores las Cuentas por Cobrar Programadas (Scheduled Receivables) derivadas de la venta de Bienes por el Vendedor a IBM, identificadas en el Anexo 1 del presente documento, y los pagos derivados de los mismos (los " *Activos Transferidos* ").

Derivado de lo anterior, y a menos que el Agente Administrativo instruya por escrito lo contrario, la suscrita por este medio les instruye en forma irrevocable que todos los pagos que de tiempo en tiempo sean realizados o que deban ser realizados por ustedes o a su nombre, a partir de la recepción y suscripción de esta Instrucción de Pago, derivados de o en relación con los Activos Transferidos (*Transferred Assets*), deberán hacerse en forma directa a la siguiente cuenta:

Deutsche Bank Trust Company Americas, NY, NY

ABA: 021 001 033

Account#: [04879286 or 01 474 953]

Account name: [DBAG STEF Sanmina Mex—IBM Mex Coll AC or DBAG STEF-Sanmina Mex—IBM USA Coll AC]

In accordance with applicable law, you are hereby further notified that the payment obligations described herein will only be satisfied and considered fulfilled upon payment thereof solely to the Administrative Agent in the terms set forth herein.

This Payment Instruction may not be revoked or modified without the written consent of the Administrative Agent.

Very truly yours,

Sanmina-SCI Systems de México, S.A. de C.V.

By:

Name: Juan Manuel Martínez Oregón

Title: Attorney in fact

IN CASE OF RECEIVABLES PAYABLE BY IBM, THIS INSTRUCTION WILL BE DELIVERED TO IBM BEFORE THE PRESENCE OF A MEXICAN NOTARY PUBLIC.

Schedule 1

[Date]

[Sanmina Mexico to include address and contact of Lenovo Singapore]

Attn:]

Re: Transfer of Receivables.

Ladies and Gentlemen:

We make reference to the Revolving Trade Receivables Purchase Agreement dated as of September [], 2007, the " *Agreement* "), entered into between Sanmina-SCI Systems de México, S.A. de C.V. (the " *Seller* ") and Deutsche Bank AG New York (the " *Administrative Agent* "), not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers under the Purchase Agreement (as such terms are defined in the Agreement). Capitalized terms used and not otherwise defined herein are used as defined in the Agreement.

The Seller hereby notifies to Lenovo Singapore PTE, Ltd, that pursuant to the Agreement, the Seller sold, assigned, transferred and conveyed to the Administrative Agent for the Purchasers the Scheduled Receivables created from the sale of Goods by the Seller to Lenovo Singapore PTE, Ltd, identified on the Schedule 1 hereto and the proceeds thereof (collectively, the " *Transferred Assets* ").

Based on the foregoing, and unless otherwise instructed in writing by the Administrative Agent, the undersigned hereby

Account name: [DBAG STEF Sanmina Mex—IBM Mex Coll AC or DBAG STEF-Sanmina Mex—IBM USA Coll AC]

De conformidad con la legislación aplicable, se le notifica asimismo por medio de la presente que las obligaciones de pago descritas en este documento sólo serán satisfechas y consideradas como cumplidas únicamente cuando los pagos de las mismas se hagan exclusivamente al Agente Administrativo en los términos establecidos en este documento.

La presente Instrucción de Pago no podrá ser revocada o modificada sin el consentimiento por escrito del Agente Administrativo.

Atentamente

Sanmina-SCI Systems de México, S.A. de C.V.

By:

Name: Juan Manuel Martínez Oregón

Title: Representante Legal

EN CASO DE CUENTAS POR COBRAR PAGADERAS POR IBM, ESTA INSTRUCCIÓN SERÁ ENTREGADA A IBM ANTE LA PRESENCIA DE UN NOTARIO PÚBLICO MEXICANO.

Anexo 1

[Fecha]

[Sanmina Mexico deberá incluir el domicilio y contacto de Lenovo Singapore]

Atención:]

Re: Transferencia de Cuentas por Cobrar.

Señoras y Señores:

Hacemos referencia al Contrato de Transmisión de Cuentas por Cobrar de fecha [] de septiembre de 2007, el " *Contrato* ") celebrado por Sanmina-SCI Systems de México, S.A. de C.V. (el " *Vendedor* ") y Deutsche Bank AG New York (el " *Agente Administrativo* "), en calidad de Agente Administrativo actuando a nombre y por cuenta de los Compradores (Purchasers) en el Contrato de Compra Venta (Purchase Agreement) (según dichos términos se definen en el Contrato). Los Términos en mayúsculas utilizados en este documento y que no se encuentren definidos en el mismo, tendrán el significado que se le atribuye a los mismos en el Contrato.

Por medio de la presente, el Vendedor notifica a Lenovo Singapore PTE, Ltd que de conformidad con el Contrato, el Vendedor vendió, cedió, transfirió y transmitió al Agente Administrativo actuando a nombre y por cuenta de los Compradores las Cuentas por Cobrar Programadas (Scheduled Receivables) derivadas de la venta de Bienes por el Vendedor a Lenovo Singapore PTE, Ltd, identificadas en el Anexo 1 del presente documento, y los pagos derivados de los mismos (los " *Activos Transferidos* ").

Derivado de lo anterior, y a menos que el Agente Administrativo instruya por escrito lo contrario, la suscrita por este

irrevocably instructs you that all payments made or required to be made by you or on your behalf from time to time after your receipt and execution of this Payment Instruction derived from or in connection with the Transferred Assets, shall be made directly to the following account:

Deutsche Bank Trust Company Americas, NY, NY

ABA: 021 001 033

Account#: 01474128

Account name: DBAG STEF Sanmina Mex-Lenovo Sing Coll AC

medio les instruye en forma irrevocable que todos los pagos que de tiempo en tiempo sean realizados o que deban ser realizados por ustedes o a su nombre, a partir de la recepción y suscripción de esta Instrucción de Pago, derivados de o en relación con los Activos Transferidos (*Transferred Assets*), deberán hacerse en forma directa a la siguiente cuenta:

Deutsche Bank Trust Company Americas, NY, NY

ABA: 021 001 033

Account#: 01474128

Account name: DBAG STEF Sanmina Mex-Lenovo Sing Coll AC

In accordance with applicable law, you are hereby further notified that the payment obligations described herein will only be satisfied and considered fulfilled upon payment thereof solely to the Administrative Agent in the terms set forth herein.

This Payment Instruction may not be revoked or modified without the written consent of the Administrative Agent.

Very truly yours,

Sanmina-SCI Systems de México, S.A. de C.V.

By:

Name: Juan Manuel Martínez Oregón

Title: Attorney in fact

NOTE TO SANMINA: FOR EACH SALE OF RECEIVABLES PAYABLE BY LENOVO SINGAPORE, THIS NOTCIE WILL NEED TO BE DELIVERED TO LENOVO SINGAPORE BEFORE THE PRESENCE OF 2 WITNESSES. UPON EXECUTION OF THIS NOTICE BY SANMINA MEXICO, PLEASE DELIVER THIS ORIGINAL NOTICE WITH AN ORIGINAL SCHEDULE I TO DEUTSCHE BANK AG NEW YORK AS FOLLOWS:

**DEUTSCHE BANK AG NEW YORK
ATTENTION: THOMAS SAKELLARIOU
STRUCTURED TRADE & EXPORT FINANCE
60 WALL STREET
NEW YORK, NY 10005
(212) 250-4412**

WITNESS/TESTIGO

[Name of Witness/Incluir Nombre de Testigo]

[Signature of Witness/ Firma de Testigo]

[Address of Witness/Domicilio de Testigo]
Schedule 1

[date]

IBM Corporation

KOBA LL308 / Bldg 002
Research Triangle Park, NC 27709
United States of America

Attn: W. T. (Tim) Lattimore, CSCMP

OEM Procurement

Sanmina-SCI Enterprise Relationship Manager
Certified Project Management Professional, PMI
Tel 919-254-4136, Fax 919-543-4253
TLattimo@US.ibm.com

Re: Transfer of Receivables.

Ladies and Gentlemen:

We make reference to the Receivables Transfer Agreement dated

De conformidad con la legislación aplicable, se le notifica asimismo por medio de la presente que las obligaciones de pago descritas en este documento sólo serán satisfechas y consideradas como cumplidas únicamente cuando los pagos de las mismas se hagan exclusivamente al Agente Administrativo en los términos establecidos en este documento.

La presente Instrucción de Pago no podrá ser revocada o modificada sin el consentimiento por escrito del Agente Administrativo.

Atentamente

Sanmina-SCI Systems de México, S.A. de C.V.

By:

Name: Juan Manuel Martínez Oregón

Title: Representante Legal

[Name of Witness/Incluir Nombre de Testigo]

[Signature of Witness/Incluir Firma de Testigo]

[Address of Witness/Domicilio de Testigo]
Anexo 1

[fecha]

IBM Corporation

KOBA LL308 / Bldg 002
Research Triangle Park, NC 27709
United States of America

Attn: W. T. (Tim) Lattimore, CSCMP

OEM Procurement

Sanmina-SCI Enterprise Relationship Manager
Certified Project Management Professional, PMI
Tel 919-254-4136, Fax 919-543-4253
TLattimo@US.ibm.com

Re: Transferencia de Cuentas por Cobrar.

Señoras y Señores:

Hacemos referencia al Contrato de Transmisión de Cuentas por

as of September [], 2007 (the " *Agreement* "), entered into between Sanmina-SCI Systems de México, S.A. de C.V. (the " *Seller* ") and Deutsche Bank AG New York (the " *Administrative Agent* "), not in its individual capacity but acting in its capacity as Administrative Agent for the Purchasers under the Purchase Agreement (as such terms are defined in the Agreement). Capitalized terms used and not otherwise defined herein are used as defined in the Agreement.

The Seller hereby notifies to IBM Corporation (" *IBM* "), that pursuant to the Agreement, the Seller sold, assigned, transferred and conveyed to the Administrative Agent for the Purchasers the Scheduled Receivables created from the sale of Goods by the Seller to IBM, identified on the Schedule 1 hereto and the proceeds thereof (collectively, the " *Transferred Assets* ").

Based on the foregoing, and unless otherwise instructed in writing by the Administrative Agent, the undersigned hereby irrevocably instructs you that all payments made or required to be made by you or on your behalf from time to time after your receipt and execution of this Payment Instruction derived from or in connection with the Transferred Assets, shall be made directly to the following account:

Cobrar de fecha [] de septiembre de 2007 (el " *Contrato* "), celebrado por Sanmina-SCI Systems de México, S.A. de C.V. (el " *Vendedor* ") y Deutsche Bank AG New York (el " *Agente Administrativo* "), en calidad de Agente Administrativo actuando a nombre y por cuenta de los Compradores (Purchasers) en el Contrato de Compra Venta (Purchase Agreement) (según dichos términos se definen en el Contrato). Los Términos en mayúsculas utilizados en este documento y que no se encuentren definidos en el mismo, tendrán el significado que se le atribuye a los mismos en el Contrato.

Por medio de la Presente, el Vendedor notifica a IBM Corporation (" *IBM* ") que de conformidad con el Contrato, el Vendedor vendió, cedió, transfirió y transmitió al Agente Administrativo actuando a nombre y por cuenta de los Compradores las Cuentas por Cobrar Programadas (Scheduled Receivables) derivadas de la venta de Bienes por el Vendedor a IBM, identificadas en el Anexo 1 del presente documento, y los pagos derivados de los mismos (los " *Activos Transferidos* ").

Derivado de lo anterior, y a menos que el Agente Administrativo instruya por escrito lo contrario, la suscrita por este medio les instruye en forma irrevocable que todos los pagos que de tiempo en tiempo sean realizados o que deban ser realizados por ustedes o a su nombre, a partir de la recepción y suscripción de esta Instrucción de Pago, derivados de o en relación con los Activos Transferidos (Transferred Assets), deberán hacerse en forma directa a la siguiente cuenta:

Deutsche Bank Trust Company Americas

ABA: 021001033

Account: 01474953

Account Name: DBAG STEF-Sanmina Mex—IBM USA Coll AC

In accordance with applicable law, you are hereby further notified that the payment obligations described herein will only be satisfied and considered fulfilled upon payment thereof solely to the Administrative Agent in the terms set forth herein.

This Payment Instruction may not be revoked or modified without the written consent of the Administrative Agent.

Very truly yours,

Sanmina-SCI Systems de México, S.A. de C.V.

By:

Name: Juan Manuel Martínez Oregón

Title: Attorney in fact

Deutsche Bank Trust Company Americas

ABA: 021001033

Account: 01474953

Account Name: DBAG STEF-Sanmina Mex—IBM USA Coll AC

De conformidad con la legislación aplicable, se le notifica asimismo por medio de la presente que las obligaciones de pago descritas en este documento sólo serán satisfechas y consideradas como cumplidas únicamente cuando los pagos de las mismas se hagan exclusivamente al Agente Administrativo en los términos establecidos en este documento.

La presente Instrucción de Pago no podrá ser revocada o modificada sin el consentimiento por escrito del Agente Administrativo.

Atentamente

Sanmina-SCI Systems de México, S.A. de C.V.

By:

Name: Juan Manuel Martínez Oregón

Title: Representante Legal

WITNESS/TESTIGOS

Name of Witness:

Signature of Witness:

Address of Witness:

Name of Witness:

Signature of Witness:

Address of Witness:

GUARANTEE

GUARANTEE, dated as of September 21, 2007, made by SANMINA-SCI CORPORATION, a Delaware corporation (the "*Guarantor*"), in favor of DEUTSCHE BANK AG NEW YORK, as administrative agent (the "*Administrative Agent*"), under the Revolving Trade Receivables Purchase Agreement dated as of September 21, 2007 (as amended, restated, modified or supplemented from time to time, the "*Receivables Purchase Agreement*") among SANMINA-SCI MAGYARORSZAG ELEKTRONIKAI GYARTO KFT, a Hungarian limited liability company, and SANMINA-SCI SYSTEMS DE MEXICO, S.A. DE C.V. (each, an "*Originator*" and collectively, the "*Originators*"), the servicers party thereto (the "*Servicers*"), the Administrative Agent, and the entities and financial institutions named therein as purchasers (the "*Purchasers*").

WHEREAS, pursuant to the Receivables Purchase Agreement, the Purchasers have agreed to purchase Scheduled Receivables from the Originators upon the terms and subject to the conditions set forth therein; and

WHEREAS, it is a condition precedent to the obligation of the Purchasers to make their initial purchase under the Receivables Purchase Agreement that the Guarantor shall have executed and delivered this Guarantee to the Administrative Agent for the benefit of the Purchasers;

NOW, THEREFORE, in consideration of the premises and to induce the Purchasers to enter into the Receivables Purchase Agreement and to induce the Purchasers to purchase Scheduled Receivables thereunder, the Guarantor hereby agrees with the Administrative Agent as follows:

1. **Defined Terms.** Unless otherwise defined herein, terms defined in the Receivables Purchase Agreement and used herein shall have the meanings given to them in the Receivables Purchase Agreement.

2. **Guarantee.** (a) The Guarantor hereby unconditionally and irrevocably guarantees, as primary obligor, to the Purchasers and their respective successors, endorsees, transferees and assigns, the prompt and complete payment and performance by the Originators when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(a) The Guarantor further agrees to pay any and all expenses (including, without limitation, all fees and disbursements of counsel) which may be paid or incurred by the Purchaser in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the Guarantor under this Guarantee.

(b) The Guarantor shall remain liable hereunder for the Obligations until the Obligations (other than inchoate indemnity obligations) are paid in full.

3. **No Subrogation.** Notwithstanding any payment or payments made by the Guarantor hereunder, or any set-off or application of funds of the Guarantor by the Administrative Agent, the Collateral Agent or any Purchaser, the Guarantor shall not be entitled to be subrogated to any of the rights of the Administrative Agent, the Collateral Agent or any Purchaser against the Originators or against any collateral security or guarantee or right of offset held by the Administrative Agent, the Collateral Agent or any Purchaser for the payment of the Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Originators in respect of payments made by the Guarantor hereunder, until all amounts owing to the Purchasers by the Originators on account of the Obligations are paid in full.

4. **Amendments, etc. with respect to the Obligations; Waiver of Rights.** The Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Guarantor, and without notice to or further assent by the Guarantor, any demand for payment of any of the Obligations made by the Purchasers may be rescinded by the Purchasers, and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part

thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Purchasers, and the Receivables Purchase Agreement, and the other Transaction Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Purchasers may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent, the Collateral Agent or the Purchasers for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. None of the Administrative Agent, the Collateral Agent or the Purchasers shall have any obligation to protect, secure, perfect or insure any Lien at any time held by them or on its behalf as security for the Obligations or for this Guarantee or any property subject thereto. When making any demand hereunder against the Guarantor, the Administrative Agent and any Purchaser may, but shall be under no obligation to, make a similar demand on the Originators or any other guarantor, and any failure by the Administrative Agent and the Purchasers to make any such demand or to collect any payments from the Originators or any such other guarantor or any release of the Originators or such other guarantor shall not relieve the Guarantor of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent and the Purchasers against the Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

5. **Guarantee Absolute and Unconditional.** To the extent permitted by applicable law, the Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Purchasers upon this Guarantee or acceptance of this Guarantee; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Originators or the Guarantor, on the one hand, and the Administrative Agent and the Purchasers, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. To the extent permitted by applicable law, the Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Originators or the Guarantor with respect to the Obligations. This Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Receivables Purchase Agreement or any other Transaction Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent, the Collateral Agent or the Purchasers, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Originators against the Administrative Agent, the Collateral Agent and the Purchasers, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Originators or the Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Originators for the Obligations, or of the Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against the Guarantor, the Administrative Agent, the Collateral Agent and the Purchasers may, but shall be under no obligation to, pursue such rights and remedies as they may have against the Originators or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent, the Collateral Agent or the Purchasers to pursue such other rights or remedies or to collect any payments from the Originators or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Originators or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve the Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent, the Collateral Agent or the Purchasers against the Guarantor. This Guarantee shall remain in

full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantor and its successors and assigns thereof, and shall inure to the benefit of the Administrative Agent and the Purchasers, and their respective successors, indorsees, transferees and assigns, until all the Obligations (other than inchoate indemnity obligations) and the obligations of the Guarantor under this Guarantee shall have been satisfied by payment in full.

6. Reinstatement. This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by any Purchaser upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Originator, or upon or as a result of the appointment of a receiver, or conservator of, or trustee or similar officer for, any Originator or any substantial part of its property, or otherwise, all as though such payments had not been made.

7. Payments. The Guarantor hereby agrees that the Obligations will be paid to the Administrative Agent without set-off or counterclaim in Dollars to the Payment Account.

8. Taxes. (a) All payments made by the Guarantor under this Guarantee shall be made free and clear of, and without deduction or withholding for or on account of, any present or future Indemnified Taxes. If any such Indemnified Taxes or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent hereunder, the amounts so payable to the Administrative Agent shall be increased to the extent necessary to yield to the Purchasers (after payment of all Indemnified Taxes and Other Taxes) the amounts payable hereunder that the Purchasers would have received if such Indemnified Taxes or Other Taxes had not been withheld or deducted from such amounts.

(a) In addition, the Guarantor shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(b) Whenever any Indemnified Taxes or Other Taxes are payable by the Guarantor, as promptly as possible thereafter the Guarantor shall send to the Administrative Agent, a certified copy of an original official receipt received by the Guarantor showing payment thereof. If the Guarantor fails to pay any Indemnified Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Guarantor shall indemnify the Administrative Agent and each Purchaser for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or such Purchaser as a result of any such failure.

(c) The agreements in this Section shall survive the termination of this Guarantee and the payment of all amounts payable hereunder.

9. Notices. All notices, requests and demands to or upon the Administrative Agent or the Guarantor to be effective shall be in writing (including by telecopy) and shall be deemed to have been duly given or made (a) if by hand, when delivered or (b) if by telecopy or by courier, when received by the addressee, addressed to the Administrative Agent at its address or transmission number for notices provided in Section 9.2 of the Receivables Purchase Agreement or, in the case of the Guarantor, at its address or transmission number for notices provided on the signature page of this Guarantee. The Administrative Agent and the Guarantor may change their respective address and transmission numbers for notices by notice in the manner provided in this Section.

10. Severability. Any provision of this Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11. Integration. This Guarantee and the other Transaction Documents represent the agreement of the Guarantor with respect to the subject matter hereof, and there are no promises or representations by the Administrative Agent or any Purchaser relative to the subject matter hereof not reflected herein or in the other Transaction Documents.

12. Amendments in Writing; No Waiver; Cumulative Remedies. (a) None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Guarantor and the Administrative Agent, provided that any provision of this Guarantee may be waived by the Administrative Agent in a letter or agreement executed by the Administrative Agent or by facsimile transmission from the Administrative Agent.

(a) The Administrative Agent shall not by any act (except by a written instrument pursuant to paragraph 12(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Incipient Termination Event or Termination Event or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent would otherwise have on any future occasion.

(b) The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

13. Section Headings. The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

14. Successors and Assigns. This Guarantee shall be binding upon the successors and permitted assigns of the Guarantor and shall inure to the benefit of the Administrative Agent and its successors and assigns. The Guarantor may not assign its obligations hereunder without the written consent of the Administrative Agent and any such purported assignment will be null and void *ab initio*.

15. Submission to Jurisdiction; Waivers. The Guarantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Guarantee, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York sitting in the City of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) in any such action or proceeding in such New York State or U.S. federal court sitting in New York City, such service may be made on the Guarantor by delivering a copy of such process to the Guarantor at its address;

(d) agrees that nothing in this Guarantee shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

16. Governing Law. This Guarantee shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed and delivered as a deed by its duly authorized officer as of the day and year first above written.

SANMINA-SCI CORPORATION

By:

Name:

Title:

Address:

2700 North First Street

San Jose, California 95134

Fax: (408) 964-3644

Attention: Treasurer

QuickLinks

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Sanmina-SCI Corporation
2700 North First Street
San Jose, California 95134
Tel (408) 964-3500

August 23, 2007

Joseph R. Bronson

Dear Joe:

On behalf of Sanmina-SCI Corporation, I am pleased to offer you the position of President and Chief Operating Officer, reporting to Jure Sola, Chairman & CEO. In this position, you will be classified as an exempt employee, and you will receive a base salary of \$500,000.00 annually. You will be paid bi-weekly in accordance with the Company's payroll practices.

You will also be eligible for a bonus payment in fiscal 2008. Your bonus payout will be based on the attached annual bonus plan (consisting of actual achievement of revenue and operating margin) or \$200,000.00, whichever is greater. This bonus payment will be made in accordance with the Company's normal pay practices for bonuses.

As a regular full time employee, you will be eligible to participate in the medical, life, and dental coverages within the terms of the Company's insurance plans in effect during your employment. Enclosed is the 2007 Summary of Benefit Options which describes the Benefit Plan in greater detail. You should be aware that the terms of such insurance programs may be modified from time to time during the course of employment with the Company.

In addition, Sanmina-SCI offers a number of Company sponsored benefits, including a retirement Deferred Savings Plan (401K), which you will be eligible to participate in, after completing one month, of regular full-time employment.

You will also receive a stock option grant of two hundred fifty thousand (250,000) shares. Your stock option grant date will be the fifteenth (15th) of the month, following your date of hire. One fifth of the shares subject to your stock option will be exercisable after one year of service, and the remaining shares will become exercisable in equal installments of 1/24 per month. Notwithstanding the foregoing, if the 14 trading day average closing price of the company's common stock (the "average closing price") reaches \$10.00 or greater, all options will vest immediately. The specific terms of this stock option grant will be set forth in a definitive stock option agreement between you and the Company.

In addition, you will receive two hundred fifty thousand (250,000) shares of restricted stock (RSUs) to fully vest at the end of three (3) years. This vesting period will be reduced as per below if the 14 trading day average closing price of the company's common stock (the "average closing price") reaches certain performance hurdles:

- 83.333 shares will be released if the average closing price equals or exceeds \$6.00
- An additional 83.333 shares will be released if the average closing price equals or exceeds \$8.00
- An additional 83.334 shares will be released if the average closing price equals or exceeds \$10.00

The terms of your RSUs will be set forth in a definitive stock agreement between you and the Company.

Your employment pursuant to this offer is contingent on your executing and agreeing to be bound by the terms and conditions of the Company's standard Employee Propriety Information and Inventions Agreement, a copy of which is attached. Employment with Sanmina-SCI is also contingent upon you providing the Company with the legally required proof of authorization to work in the United States.

You understand and acknowledge that employment with the Company is for an unspecified duration and constitutes "at-will" employment. You acknowledge that this employment relationship may be terminated at any time, with or without cause or for any or no cause, at the option of either you or the Company, with or without notice.

I sincerely hope that you will accept our offer of employment and we look forward to working with you. I would like you to begin your employment with Sanmina-SCI as soon as practicable.

This offer is valid until 5:00pm (PST) August 29, 2007. Please acknowledge your receipt and acceptance of our offer before this date by signing and returning a complete copy to my attention in the enclosed envelope. Please keep one copy of the offer letter for your records. We look forward to your joining the Sanmina-SCI team.

Sincerely,

/s/ JURE SOLA
Jure Sola
Chairman & CEO

Enclosures

Agreed to and accepted this 28th day of August, 2007.

/s/ JOSEPH R.BRONSON
Joseph R. Bronson

August 31, 2007
Start Date

Sanmina-SCI Corporation
2700 North First Street
San Jose, California 95134
Tel (408) 964-3500

June 15 , 2007

Mr. Walter Hussey

Dear Walter,

On behalf of Sanmina-SCI Corporation, I am pleased to offer you the position of President, Technology Components Group, reporting to Jure Sola, Chairman & CEO. Your primary responsibilities in this assignment were discussed with you during your interview. You should also be aware, however, that due to the nature of our business, you could be assigned to other duties and responsibilities by persons within the Company to whom you will be reporting.

In this position, you will be classified as an exempt employee, and you will receive a base salary of \$310,000.00 annually. You will be paid bi-weekly in accordance with the Company's payroll practices. You will also receive a car allowance in the amount of \$8,000.00 annually.

Your bonus payout will be based on the plan guidelines for the Components Group dated June 14, 2007. This payment will be made in accordance with the Company's normal pay practices for bonuses. For the remainder of fiscal year 2007 and fiscal year 2008 your bonus payment will be based on the Components Group Incentive Matrix (attachment JSWH FY2008) dated June 14, 2007. In addition, based on your performance in 2008, I will consider you for a corporate discretionary bonus based on both corporate and personal results. For fiscal year 2008, your minimum bonus guarantee is \$77,500.00.

As a regular full time employee, you will be eligible to participate in the medical, life, and dental coverages within the terms of the Company's insurance plans in effect during your employment. Enclosed is the 2007 Summary of Benefit Options which describes the Benefit Plan in greater detail. You should be aware that the terms of such insurance programs may be modified from time to time during the course of employment with the Company.

In addition, Sanmina-SCI offers a number of Company sponsored benefits, including a retirement Deferred Savings Plan (401K), which you will be eligible to participate in, after completing one month, of regular full-time employment.

You will also be recommended for a stock option grant of one hundred fifty thousand (150,000) shares. Your stock option grant date will be the fifteenth (15th) of the month, following your date of hire, provided formal approval by the Company's Compensation Committee is obtained prior to the fifteenth (15th) calendar day of the month. One fifth of the shares subject to your stock option will be exercisable after one year of service, and thereafter the remaining shares will become exercisable in equal installments of 1/48 per month for a total vesting period of 5 years. Your stock option grant is subject to approval by the Company's Board of Directors. The terms of your stock option will be set forth in a definitive stock option agreement between you and the Company.

In addition, you will be recommended for fifty thousand (50,000) shares of restricted stock (RSU) to fully vest at the end of three (3) years. Your RSU grant is subject to approval by the Company's Compensation Committee at their next regularly scheduled meeting. The terms of your RSU unit will be set forth in a definitive stock agreement between you and the Company.

Your employment pursuant to this offer is contingent on your executing and agreeing to be bound by the terms and conditions of the Company's standard Employee Proprietary Information and Inventions Agreement, a copy

of which is attached. Employment with Sanmina-SCI is also contingent upon you providing the Company with the legally required proof of authorization to work in the United States.

You understand and acknowledge that employment with the Company is for an unspecified duration and constitutes “at-will” employment. You acknowledge that this employment relationship may be terminated at any time, with or without cause or for any or no cause, at the option of either you or the Company, with or without notice.

I sincerely hope that you will accept our offer of employment and we look forward to working with you. I would like you to begin your employment with Sanmina-SCI as soon as practicable, but no later than Monday, July 9, 2007.

This offer is valid until 5:00pm (PST) June 19, 2007. Please acknowledge your receipt and acceptance of our offer before this date by signing and returning a complete copy to my attention in the enclosed envelope. Please keep one copy of the offer letter for your records. We look forward to your joining the Sanmina-SCI team.

Sincerely,

/s/ JURE SOLA
Jure Sola
Chairman & CEO

/s/ WALTER HUSSEY
Walter Hussey

Sanmina-SCI Corporation
2700 North First Street
San Jose, California 95134
Tel (408) 964-3500

February 23, 2007

Michael R. Tyler

Dear Michael,

On behalf of Sanmina-SCI Corporation, I am pleased to offer you the position of Senior Vice President, General Counsel & Corporate Secretary reporting to Jure Sola, Chairman & CEO. Your primary responsibilities in this assignment were discussed with you during your interview. You should also be aware, however, that due to the nature of our business, you could be assigned to other duties and responsibilities by persons within the Company to whom you will be reporting.

In this position, you will be classified as an exempt employee, and you will receive a base salary of \$350,000.00 annually. You will be paid bi-weekly in accordance with the Company's payroll practices. You will also receive a car allowance in the amount of \$6,000.00 annually (to be paid incrementally each pay period).

Your payout for the company's Annual 2007 Bonus will be \$150,000.00, provided you are employed for the duration of the year. The bonus will be paid in accordance with the Company's normal pay practices for bonuses.

You will also be allocated a relocation allowance of \$30,000.00. The Company will also pay for up to 6 months of temporary lodging at a cost of up to \$3,000.00 per month. Sanmina-SCI has engaged the services of Lexicon Relocation services to assist with managing your relocation and to minimize any tax impact associated with qualified moving expenses. Lexicon will assist you throughout the relocation process and explain tax implications. The attached "Relocation Allowance Offer" outlines the requirements for utilizing this allowance and provides you with contact information for your Lexicon Relocation Counselor. Please review the details of this document prior to acknowledging your acceptance of this offer.

As a regular full time employee, you will be eligible to participate in the medical, life, and dental coverages within the terms of the Company's insurance plans in effect during your employment. Enclosed is the 2007 Summary of Benefit Options which describes the Benefit Plan in greater detail. You should be aware that the terms of such insurance programs may be modified from time to time during the course of employment with the Company. Please contact Dan Pon, Vice President of Benefits at 408-964-3842 with any questions.

In addition, Sanmina-SCI offers a number of Company sponsored benefits, including a retirement Deferred Savings Plan (401K), which you will be eligible to participate in, after completing one month, of regular full-time employment.

You will also be recommended for a stock option grant of one hundred thousand (100,000) shares. Your stock option grant date will be the fifteenth (15th) of the month, following your date of hire, provided formal approval by a Designated Approver is obtained prior to the fifteenth (15th) calendar day of the month. One fifth of the shares subject to your stock option will be exercisable after one year of service, and thereafter the remaining shares will become exercisable in equal installments of 1/48 per month for a total vesting period of 5 years. Your stock option grant is subject to approval by the Company's Board of Directors. The terms of your stock option will be set forth in a definitive stock option agreement between you and the Company.

In addition, you will be recommended for one hundred thousand (100,000) shares of restricted stock (RSU) to fully vest at the end of three (3) years. Your RSU grant is subject to approval by the Company's Board of Directors at their next regularly scheduled meeting. The terms of your RSU unit will be set forth in a definitive stock agreement between you and the Company.

Your employment pursuant to this offer is contingent on your executing and agreeing to be bound by the terms and conditions of the Company's standard Employee Propriety Information and Inventions Agreement, a copy of which is attached. Employment with Sanmina-SCI is also contingent upon you providing the Company with the legally required proof of authorization to work in the United States.

You understand and acknowledge that employment with the Company is for an unspecified duration and constitutes "at-will" employment. You acknowledge that this employment relationship may be terminated at any time, with or without cause or for any or no cause, at the option of either you or the Company, with or without notice. If your employment is terminated by Sanmina-SCI without cause, you will receive 12 months of salary continuation, upon execution, by you, of an Agreement and General Release.

We sincerely hope that you will accept our offer of employment and we look forward to working with you. We would like you to begin your employment with Sanmina-SCI within 30 days of accepting our offer.

This offer is valid until Friday, March 2, 2007. Please acknowledge your receipt and acceptance of our offer before this date by signing and returning a complete copy to my attention in the enclosed envelope. Please keep one copy of the offer letter for your records. We look forward to your joining the Sanmina-SCI team.

Sincerely,

/s/ JURE SOLA
Jure Sola
Chairman & CEO

Enclosures

Agreed to and accepted this 2nd day of March, 2007.

/s/ MICHAEL R. TYLER
Michael R. Tyler

April 16th 2007
Start Date

February 28, 2007

Michael R. Tyler

Dear Michael:

Please consider this an addendum to the letter offer of employment to you from Sanmina-SCI, dated February 23, 2007 (the "Offer Letter"). This addendum is written on behalf of and with the full knowledge and approval of Jure Sola, Chairman & CEO. This addendum changes the offer letter as follows:

1. The position title shall be **Executive Vice-President, General Counsel & Corporate Secretary**.
2. You will be allocated a relocation allowance of \$40,000.00. The relocation allowance will be paid to you in one lump sum, within 30 days of your start date of employment at Sanmina-SCI. No other relocation allowance will be paid to you. If you leave Sanmina-SCI voluntarily within one year of your start date of employment, you must repay the Company the \$40,000.00 relocation allowance.
3. The Company will pay for up to nine (9) months of temporary lodging at a cost of up to \$3,000.00 per month.
4. If your employment is terminated by Sanmina-SCI without "cause", or if you leave the Company for "good reason," as the terms "cause" and "good reason" have been previously defined between you and Sanmina-SCI, then you will receive twelve (12) months of salary continuation, upon execution by you, of an Agreement and General Release.

Please sign and date both page two of the Offer Letter and this letter below, and return both by facsimile to Sanmina-SCI (408-964-3636) and to Korn/Ferry International (415-956-8265).

Sincerely:

Stephen P. Van Liere
Tod Gregory
Korn/Ferry International

Agreed to and accepted this 2nd day of March, 2007.

/s/ MICHAEL R. TYLER
Michael R. Tyler

November 15, 2007

Michael R. Tyler

Dear Mike:

This letter will amend the addendum dated as of February 28 (the "Addendum") to the letter offer of employment to you from Sanmina-SCI, dated as of February 23, 2007. The purpose of this amendment is to bring the Addendum into compliance with Section 409A of the Internal Revenue Code. Section 4 of the Addendum shall be amended as follows:

4. If your employment is terminated by Sanmina-SCI without "cause", or if you leave the Company for "good reason," as the term "cause" has been previously defined between you and Sanmina-SCI, and "good reason" is defined in the safe harbor provisions in Treas. Reg. § 1.409A-1(n) (2), as amended, then you will receive twelve months of salary, upon execution by you, of an Agreement and General Release.

All other provisions of the Addendum remain the same.

Sincerely:

/s/ WAYNE SHORTRIDGE
Wayne Shortridge
Chairman, Compensation Committee
Sanmina-SCI Corporation

Agreed to and accepted this 15 day of November, 2007.

/s/ MICHAEL TYLER
Michael R. Tyler

LIST OF SUBSIDIARIES

	Jurisdiction
AET Holdings Limited(24)	Mauritius
AET Holland C.V.(30)	Netherlands
CMS Mexicana S.A. de C.V.(31)	Mexico
Compatible Memory, Inc.(33)	California, USA
Continental Circuits International Inc. (4)	Barbados
Davos Group Limited(6)	British Virgin Islands
Hadco Corporation(12)	Massachusetts, USA
Hadco Foreign Sales Corp.(4)	US Virgin Islands
Hadco Ireland Limited(4)	Ireland
Hadco Santa Clara, Inc.(4)	Delaware, USA
Interagency, Inc.(20)	Delaware, USA
Newisys, Inc.(12)	Delaware, USA
Pentex-Schweizer Circuits GmbH(34)	Germany
PT. Sanmina-SCI Batam(22)	Indonesia
Sanmina (B.V.I.)(12)	British Virgin Islands
Sanmina-SCI AB(19)	Sweden
Sanmina Cayman Ltd.(7)	British West Indies
Sanmina-SCI Corporation (Malaysia) Sdn Bhd(5)	Malaysia
Sanmina Enclosure Systems Hungary Limited Liability Company(12)	Hungary
Sanmina Enclosures Systems Limited(25)	Scotland
Sanmina Foreign Sales Corporation(12)	Barbados
Sanmina France(9)	France
Sanmina General. L.L.C.(12)	Delaware, USA
Sanmina International AG(12)	Switzerland
Sanmina Limited, L.L.C.(12)	Delaware, USA
Sanmina SAS(12)	France
Sanmina Texas, L.P.(8)	Texas, USA
Sanmina-SCI (Asia) Limited(6)	Hong Kong
Sanmina-SCI (China) Limited(6)	Hong Kong
Sanmina-SCI (H.K.) Limited(6)	Hong Kong
Sanmina-SCI (Shenzhen) Ltd.(11)	China
Sanmina-SCI Systems (Taiwan) Limited(10)	Hong Kong
Sanmina-SCI Australia PTY LTD(18)	Australia
Sanmina-SCI Cable Systems de Monterey S de R.L. de C.V.(12)	Mexico
Sanmina-SCI Cable Systems GmbH(17)	Germany
Sanmina-SCI Cable Systems Services, S. de R.L. de C.V.(12)	Mexico
Sanmina-SCI Circuits (Wuxi) Co. Ltd.(34)	P.R.C.
Sanmina-SCI Circuits Pte Ltd(34).	Singapore
Sanmina-SCI Electronics Pte Ltd.(34).	Singapore
Sanmina-SCI Investments Pte Ltd.(34).	Singapore
Sanmina-SCI Corporation.	Delaware, USA
Sanmina-SCI USA, Inc.(12)	Delaware, USA
Sanmina-SCI Central Services	France
Sanmina-SCI de Mexico S.A. de C.V.(12)	Mexico
Sanmina-SCI Development AB(19)	Sweden
Sanmina-SCI do Brasil Integration Ltd(13)	Brazil
Sanmina-SCI do Brasil Ltda(12)	Brazil
Sanmina-SCI do Brasil Technology Ltda(22)	Brazil
Sanmina-SCI Systems (Kunshan) Co., Limited(1)	China
Sanmina-SCI Enclosure Systems (Shenzhen) Limited(14)	China
Sanmina-SCI Enclosure Systems (Suzhou) Co. Ltd.(14)	China
Sanmina-SCI Enclosure Systems Lisburn Limited(25)	Northern Ireland
Sanmina-SCI Enclosure Systems, (Asia) Ltd(3)	Hong Kong

Sanmina-SCI Enclosure Systems(19)	Finland
Sanmina-SCI Enclosures Systems AB(19)	Sweden
Sanmina-SCI Espana, S.L.U.(22)	Spain
Sanmina-SCI France EMS(9)	France
Sanmina-SCI France Real Estate(9)	France
Sanmina-SCI GmbH(12)	Germany
Sanmina-SCI Germany GmbH(17)	Germany
Sanmina-SCI Haukipudas Oy(22)	Finland
Sanmina-SCI Holding AB(7)	Sweden
Sanmina-SCI Holdings B.V.(29)	Netherlands
Sanmina-SCI Holdings GmbH & Co. KG(12)	Germany
Sanmina-SCI Holdings PTY LTD(22)	Australia
Sanmina-SCI Hungary Electronics Manufacturing Limited Liability Company(22)	Hungary
Sanmina-SCI India Private Limited(1)	India
Sanmina-SCI International GmbH	Switzerland
Sanmina-SCI Ireland(28)	Ireland
Sanmina-SCI Israel EMS Ltd(22)	Israel
Sanmina-SCI Israel Medical Systems, Ltd(22)	Israel
Sanmina-SCI Japan, Inc. (YK)(22)	Japan
Sanmina-SCI Kista AB(16)	Sweden
Sanmina-SCI Luxembourg S.a.r.l.(26)	Luxembourg
Sanmina-SCI Management GmbH	Germany
Sanmina-SCI Netherlands B.V.(29)	Netherlands
Sanmina-SCI Netherlands Holding LLC(30)	Delaware, USA
Sanmina-SCI PCB Europe GmbH & Co. KG(15)	Germany
Sanmina-SCI RSP de Mexico, S.A. de C.V.(12)	Mexico
Sanmina-SCI RSP Systems Services S.A. de C.V	Mexico
Sanmina-SCI Systems (Alabama), Inc.(30)	Alabama, USA
Sanmina-SCI Systems (Canada) Inc.(30)	Canada
Sanmina-SCI Systems (Malaysia) SDN BHD(22)	Malaysia
Sanmina-SCI Systems (Thailand) Limited(30)	Thailand
Sanmina-SCI Systems de Mexico S.A. de C.V.(32)	Mexico
Sanmina-SCI Systems Enclosures (Denton) Inc.(31)	Texas, USA
Sanmina-SCI Enclosure Systems USA Inc.(12)	North Carolina, USA
Sanmina-SCI Systems Holdings, Inc.(30)	Delaware, USA
Sanmina-SCI Systems Ireland Limited(30)	Ireland
Sanmina-SCI Systems Israel Ltd(22)	Israel
Sanmina-SCI Systems Japan, LTD (KK)(22)	Japan
Sanmina-SCI Systems Services de Mexico S.A. de C.V.(21)	Mexico
Sanmina-SCI Systems Singapore PTE. LTD.(31)	Singapore
Sanmina-SCI Systems Tel Aviv Ltd.(23)	Israel
Sanmina-SCI Technology India Private Limited	India
Sanmina-SCI UK Limited (22)	UK
Sanmina-SCI UKLP(2)	UK
Sanmina-SCI Verwaltungs GmbH(12)	Germany
Sanmina-SCI Pte. Ltd.(24)	Singapore
Sanmina-SCI/Tag de Mexico, S.A. de C.V.(32)	Mexico
SCI Brockville Corporation(22)	Canada

SCI Foreign Sales, Inc.(30)	Barbados
SCI France, S.A.(27)	France
SCI Holdings France SAS(22)	France
SCI Netherlands Holding B.V.(2)	Netherlands
SCI Plant No. 22, L.L.C.(31)	Colorado, USA
SCI Plant No. 5, L.L.C.(20)	Alabama, USA
SCI Systems, Inc.	Delaware, USA
SCI Systems Sweden AB(22)	Sweden
SCI Technology, Inc.(20)	Alabama, USA
SCIMEX, Inc.(30)	Alabama, USA
Sanmina-SCI Eskilstuna AB(19)	Sweden
Viking Components Ireland Limited(28)	Ireland
Viking Interworks Asia (S) PTE LTD(24)	Singapore
Viking Interworks, Inc.(12)	California, USA

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- (1) A subsidiary of AET Holdings Limited
 - (2) A subsidiary of AET Holland C.V.
 - (3) A subsidiary of Davos Group Limited
 - (4) A subsidiary of Hadco Corporation
 - (5) A subsidiary of Hadco Santa Clara, Inc.
 - (6) A subsidiary of Sanmina (B.V.I.)
 - (7) A subsidiary of Sanmina International AG
 - (8) A subsidiary of Sanmina Limited, L.L.C.
 - (9) A subsidiary of Sanmina SAS
 - (10) A subsidiary of Sanmina-SCI (Asia) Limited
 - (11) A subsidiary of Sanmina-SCI (China) Limited
 - (12) A subsidiary of Sanmina-SCI Corporation
 - (13) A subsidiary of Sanmina-SCI do Brasil Technology Ltda
 - (14) A subsidiary of Sanmina-SCI Enclosure Systems, (Asia) Ltd
 - (15) A subsidiary of Sanmina-SCI GmbH
 - (16) A subsidiary of Sanmina-SCI Holding AB
 - (17) A subsidiary of Sanmina-SCI Holdings GmbH & Co. KG
 - (18) A subsidiary of Sanmina-SCI Holdings PTY LTD
 - (19) A subsidiary of Sanmina-SCI Kista AB
 - (20) A subsidiary of Sanmina-SCI Systems (Alabama), Inc.
 - (21) A subsidiary of Sanmina-SCI Systems de Mexico S.A. de C.V.
 - (22) A subsidiary of Sanmina-SCI Systems Holdings, Inc.
 - (23) A subsidiary of Sanmina-SCI Systems Israel Ltd
 - (24) A subsidiary of Sanmina-SCI Systems Singapore PTE. LTD.
 - (25) A subsidiary of Sanmina-SCI UK Limited
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- (26) A subsidiary of Sanmina-SCI UKLP
 - (27) A subsidiary of SCI Holdings France SAS
 - (28) A subsidiary of Sanmina-SCI Systems Ireland Limited
 - (29) A subsidiary of SCI Netherlands Holding B.V.
 - (30) A subsidiary of SCI Systems, Inc.
 - (31) A subsidiary of SCI Technology, Inc.
 - (32) A subsidiary of SCIMEX, Inc.
 - (33) A subsidiary of Viking Interworks, Inc.
 - (34) A subsidiary of Sanmina-SCI Pte Ltd.
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QuickLinks

[LIST OF SUBSIDIARIES](#)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Sanmina-SCI Corporation:

We consent to the incorporation by reference in the registration statement on Form S-3 (No. 333-13160, 333-61042, 333-50282, 333-39316, 333-95467, 333-84221, 333-84039, 333-76279, and 333-71313) and Form S-8 (No. 333-112605, 333-108942, 333-104692, 333-100236, 333-87946, 333-84704, 333-83110, 333-75616, 333-64294, 333-39930, 333-79259, and 333-23565) of Sanmina-SCI Corporation of our reports dated November 28, 2007, with respect to the consolidated balance sheets of Sanmina-SCI Corporation as of September 29, 2007 and September 30, 2006, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the fiscal years in the three-year period ended September 29, 2007, and the related financial statement schedule, and the effectiveness of internal control over financial reporting as of September 29, 2007, which reports appear in the September 29, 2007 annual report on Form 10-K of Sanmina-SCI Corporation. Our report dated November 28, 2007 refers to accounting changes upon adoption of Statement of Financial Accounting Standards (SFAS) No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132R* in fiscal 2007, adoption of Securities and Exchange Commission Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements* in fiscal 2007, and adoption of SFAS No. 123R, *Share-Based Payment* at the beginning of fiscal 2006.

/s/ KPMG LLP
Mountain View, California
November 28, 2007

QuickLinks

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CERTIFICATION

I, Jure Sola, certify that:

1. I have reviewed this annual report on Form 10-K of Sanmina-SCI Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 28, 2007

/s/ JURE SOLA

Jure Sola
Chief Executive Officer

QuickLinks

CERTIFICATION

CERTIFICATION

I, David L. White, certify that:

1. I have reviewed this annual report on Form 10-K of Sanmina-SCI Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 28, 2007

/s/ DAVID L. WHITE

David L. White
Chief Financial Officer

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CERTIFICATION

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Sanmina-SCI Corporation (the "Company") on Form 10-K for the fiscal year ended September 29, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), I, Jure Sola, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ JURE SOLA

Jure Sola
Chief Executive Officer
November 28, 2007

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CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Sanmina-SCI Corporation (the "Company") on Form 10-K for the fiscal year ended September 29, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), I, David L. White, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ DAVID L. WHITE

David L. White
Chief Financial Officer
November 28, 2007

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[CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002](#)