

**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, 2012**

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 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 N. First St., 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:

Common Stock, \$0.01 Par Value

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

None

(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 whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§232.405 of this chapter) 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 filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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 market value of the voting and non-voting common stock held by non-affiliates of the registrant was approximately \$581,683,037 as of March 30, 2012, based upon the last reported sale price of the common stock on the NASDAQ Global Select Market on March 30, 2012.

As of November 9, 2012, the number of shares outstanding of the registrant's common stock was 81,765,109.

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 March 11, 2013 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 CORPORATION

INDEX

PART I

Item 1.	Business	3
Item 1A.	Risk Factors	17
Item 1B.	Unresolved Staff Comments	29
Item 2.	Properties	30
Item 3.	Legal Proceedings	31
Item 4.	Mine Safety Disclosures	32

PART II

Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	33
Item 6.	Selected Financial Data	34
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	36
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	51
Item 8.	Financial Statements and Supplementary Data	51
Item 9.	Changes In and Disagreements With Accountants on Accounting and Financial Disclosure	88
Item 9A.	Controls and Procedures	88
Item 9B.	Other Information	89

PART III

Item 10.	Directors and Executive Officers of the Registrant	90
Item 11.	Executive Compensation	90
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	90
Item 13.	Certain Relationships and Related Transactions	90
Item 14.	Principal Accountant Fees and Services	90

PART IV

Item 15.	Exhibits and Financial Statement Schedules	91
Signatures		98

Item 1. *Business*

Overview

Sanmina Corporation (“we” or “Sanmina”) is a leading global provider of integrated manufacturing solutions, components, products and repair, logistics and after-market services. We provide these comprehensive offerings primarily to original equipment manufacturers, or OEMs, in the communications networks, computing and storage, multimedia, industrial and semiconductor capital equipment, defense and aerospace, medical, clean technology (or “CleanTech”) 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. We were originally incorporated in Delaware in May 1989. On November 15, 2012, we changed our name from Sanmina-SCI Corporation to Sanmina Corporation.

Our end-to-end solutions, combined 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, prototyping, validation, preproduction services and manufacturing design release;
- 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.

We participate in the Electronics Manufacturing Services (EMS) industry and manage our operations as two businesses:

- 1) Integrated Manufacturing Solutions (IMS), which is a reportable segment consisting of printed circuit board assembly and test, optical and RF (Radio Frequency) modules, final system assembly and test, and direct order fulfillment. This segment generated 81% of our total revenue in 2012.
- 2) Components, Products and Services (CPS), consisting of Components, which includes interconnect systems (printed circuit board fabrication and backplane and cable assemblies) and mechanical systems (enclosures, precision machining and plastic injection molding); Products, which includes memory and SSD products from Viking Technology; products from SCI Technology for use in the defense and aerospace industry; and storage products from Newisys; and Services, which includes design, engineering, logistics and repair services.

We have facilities in 25 countries on six 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 our 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 higher volume, less complex component and subsystem manufacturing and assembly.

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

- end-to-end services;
- product design and engineering resources;
- vertically integrated manufacturing solutions;
- advanced technologies;
- robust IT systems;

[Table of Contents](#)

- global capabilities;
- customer-focused organization; and
- expertise in serving diverse end markets.

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 OEM's 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. Today, EMS companies 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, manufacturing, final system assembly and test, direct order fulfillment and logistics, 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;
- focus on core competencies;
- access leading design and engineering capabilities;
- improve supply chain management and purchasing power;
- access global manufacturing services; and
- accelerate time to market.

Our Business Strategy

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

Capitalizing on Our Comprehensive Solutions. We intend to capitalize on our end-to-end solutions which we believe will allow us to both sell additional solutions to our existing customers and attract new customers. Our end-to-end solutions include product design and engineering, manufacturing, final system assembly and test, direct order fulfillment and logistics services, after-market product service and support and supply chain management. Our vertically integrated manufacturing solutions 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 solutions, 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 solutions. To achieve this goal, our sales and marketing organization seeks to cross-sell our solutions to customers.

Extending Our Technology Capabilities. We rely on advanced processes and technologies to provide our products, components and vertically integrated manufacturing solutions. 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 product and manufacturing requirements and align our technology investment activities with 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.

Attract and Retain Long-Term Customer Partnerships. A core component of our strategy is to attract, build and retain long-term partnerships with companies in growth industries that will benefit from our global footprint and unique value proposition in advanced electronics manufacturing. As a result of this customer-centric approach, we have experienced business

growth from both existing and new customers and will continue to cultivate these partnerships with additional products and value-added solutions.

Joint Design Manufacturing Solutions. As a result of customer feedback, and our customers' desire to manage research and development expenses, we have expanded our product design services to develop systems and components jointly with our customers. In a JDM model, our customers bring market knowledge and product requirements. We offer complete design engineering and new product introduction (NPI) services. Our offerings in design engineering include product architecture, development, integration, regulatory and qualification services; while NPI services include quick-turn prototyping, supply chain readiness, functional test development and release to volume production.

Continuing to Penetrate Diverse End Markets. We focus our marketing and sales efforts on major end markets within the technology 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, computing and multimedia markets, and also focus on under-penetrated target markets, including the medical, industrial and semiconductor capital equipment, CleanTechnology, automotive, and defense and aerospace industries, many of which have not extensively relied upon outsource manufacturing 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' products, manufacturing solutions, repair service capabilities, technologies and geographic markets. In addition, we plan to 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, restructurings and divestitures. 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, Southeast Asia and India, and we plan to expand our presence in these lower cost locations as appropriate to meet the needs of our customers. We believe we are well positioned to take advantage of future opportunities on a global basis as a result of our existing footprint in 25 countries.

Our Competitive Strengths

We believe 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 Solutions. We provide solutions throughout the world to support our customers' products during their entire life cycle, from product design and engineering, through manufacturing, to direct order fulfillment, logistics and after-market product service and support. We believe our end-to-end solutions 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 solutions enable us to provide our customers with a single source of supply for their manufacturing 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 solutions 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) reviews. Our engineers work with our customers during the complete product life cycle. Our design and NPI centers provide turnkey system design services including: electrical, mechanical, thermal, software, layout, simulation, test development, design verification, validation, regulatory compliance and testing services. We design high speed digital, analog, radio frequency, mixed-signal, wired, wireless, optical and electro-mechanical products.

Our engineering engagement models include Joint Design Manufacturing (JDM), Contract Design Manufacturing (CDM) and consulting engineering for DFx, Value Engineering (cost reduction re-design), and design for environmental compliance with the European Union's Restrictions of Hazardous Substances, or RoHS, and Waste Electrical and Electronic Equipment or WEEE. We focus on industry segments that include Communications Networks, Computing and Storage, Medical, Multimedia, Defense & Aerospace, Industrial & Semiconductor Capital Equipment, CleanTech and Automotive.

[Table of Contents](#)

System solutions for these industry segments are supported by our vertically integrated component technologies, namely, printed circuit boards, backplanes, enclosures, cable assemblies, precision machining, plastics and die castings, memory modules, and optical, RF and microelectronics modules.

In these engagement models, our customers bring market knowledge and product requirements. We provide complete design engineering and new product introductions (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. For CDM projects, customers pay for all services and own the intellectual property.

Vertically Integrated Manufacturing Solutions. We provide a range of vertically integrated manufacturing solutions. 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, optical modules and memory 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, routers and gateways, optical switches, enterprise-class servers and storage appliances, set-top boxes, magnetic resonance imaging (MRI) and computer tomography (CT) scanners, and equipment used in the semiconductor chip manufacturing process, including equipment for photolithography, chemical mechanical polishing, physical vapor deposition, automated handling tools and robotics for wafer transfer.

Advanced Technologies. We provide services utilizing advanced technologies which we believe allow us to differentiate ourselves from our competitors. These advanced technologies include the fabrication of complex printed circuit boards and backplanes having up to 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. We have added capabilities to manufacture high density flex and rigid-flex printed circuit boards (PCB) with up to 30 layers and 8 transition layers in support of Defense and Aerospace markets along with high end medical electronics.

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 inventories for our customers and ourselves. We have also developed build-to-order (BTO) and configure-to-order (CTO) systems that enable us to manufacture and ship finished systems within 48 to 72 hours after receipt of an order. We have established a centralized EMS technology council to coordinate the development and introduction of new technologies to meet our customers' needs in various locations and to increase collaboration among our facilities.

Global Manufacturing 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 25 countries provides our customers a combination of sites to maximize both the benefits of regional and low cost manufacturing solutions and repair services. To manage and coordinate our global operations, we employ an enterprise-wide ERP system at substantially all of our manufacturing locations 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 facility level and to optimize inventory management and utilization. Our systems also enable our customers to receive key information regarding the status of their programs.

Global Supplier Base. We purchase large quantities of electronic components and other materials from a wide range of suppliers. Our primary task involves consolidating our global spend to create the synergy and leverage to drive our supply base for better cost competitiveness and more favorable terms and leading edge supply chain solutions. As a result, we often receive more favorable terms and supply chain solutions from suppliers which can enable us to provide our customers with greater total cost reductions than they can obtain themselves. Our strong supplier relationships also often enable us to obtain electronic components and other materials that are in short supply as well as provide us the necessary support to optimize the utilization of our inventories.

Supply chain management also involves the planning, purchasing and warehousing of product components. The other objective of our supply chain management services is to reduce excess component inventory in the supply chain by scheduling deliveries of components at a competitive price and on a just-in-time basis. We use sophisticated production management

[Table of Contents](#)

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 ERP systems provide us with company-wide information regarding component inventories and orders to optimize inventories, planning and purchasing at the plant level.

Customer-Focused Organization. We believe customer relationships are critical to our success and our organization is focused on providing our customers with a high level of customer service. 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 opportunities/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, computing and storage, multimedia, industrial and semiconductor capital equipment, defense and aerospace, medical, CleanTech 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.

Our Products and Solutions

We offer our OEM customers a diverse set of products and solutions with a focus on wireless, wireline and optical communications and network infrastructure equipment like switches, routers and base stations, enterprise computing servers and storage systems, defense and commercial avionics and communications, medical imaging, diagnostic and patient monitoring systems, digital satellite set-top boxes, point of sale, and gaming systems, semiconductor tools for metrology, lithography, dry and wet processing, industrial products like large format printers and cash transactions, and clean technology products such as solar and wind products, fuel cells, LED lighting, smart meters and battery systems. These products may require us to use some or all of our end-to-end solutions including design, component technologies and logistics and repair services.

Integrated Manufacturing Solutions includes:

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 (SMT) and pin-through-hole assembly (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.

Optical and RF and Components and Modules. Optical and Radio frequency (RF) components are the key building blocks of many systems and we produce both passive and active components as well as modules. RF and Optical modules are integrated subsystems that use a combination of industry standard and/or custom components, typically interconnected using microelectronic technologies, to achieve unique function. Based on our microelectronic design and manufacturing technologies, we provide RF and optical components, modules and systems for customers in the telecommunications, networking, medical, industrial, military and aerospace markets. Our experience in RF and optical communications and networking products spans long haul/ultra long haul and metro regions for transport/transmission, as well as access and

switching applications, including last mile solutions. In the Medical market, we have developed and manufacture optically based products such as blood analyzers and food contamination analyses. We are currently supplying product to the 10G, 40G and 100G optical marketplace based on our optical and RF technologies. Our service offerings for optical customers are designed to deliver end-to-end solutions with special focus on product design and industrialization, optical and RF component, module and blade manufacturing, as well as system integration and test.

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 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, wireline communications switches, optical networking products, high-end servers, industrial and automotive, LED lighting fixtures, multimedia devices, diagnostic medical equipment, internet-protocol communication systems, video on demand and computing servers.

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 and data control system 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 servers, workstations, set-top boxes and medical devices.

Components, Products and Services includes:

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 launch and end of life support for a wide range of products covering all our market segments. These groups complement our vertically integrated manufacturing capabilities by providing manufacturing design services for printed circuit boards, backplanes and a variety of electro-mechanical systems. Our offerings in design engineering include product architecture, development, integration and regulatory and qualification services, while our NPI services include quick-turn prototype, functional test development and release to volume production. We specialize in creating custom high performance, manufacturable, cost-optimized products. We can also complement our customer's design team with our unique skills and services. Both solutions will accelerate our customer's market penetration - all while respecting the customer's intellectual property (IP).

Printed Circuit Boards. We have the ability to produce multilayer printed circuit boards on a global basis with high layer counts and fine line circuitry. Our ability to support NPI and quick turn fabrication followed by 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 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 (in excess of 20 gigabits per second, or 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™, have become industry standards and are licensed to other board fabricators.

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 Gbps. We currently have capabilities to manufacture backplanes with up to 60 layers in sizes of 26x40 or 22x52 inches and up to 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.

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.

Mechanical Systems. Mechanical systems are used across all major markets to house and protect complex and fragile electronic components, modules and sub-systems, so that the system's functional performance is not compromised due to mechanical, environmental or any other usage conditions. Our mechanical systems manufacturing services are capable of fabricating mechanical components, such as cabinets, chassis (soft tool, hard progressive tools), frames, racks, and data centers integrated with various electronic components and sub-systems for power management, thermal management, sensing functions, and control systems.

We manufacture a broad range of enclosures from basic enclosures for low end accessories, setup boxes, storages & servers, to large and highly complex mechanical systems, such as those used in indoor and outdoor wireless base station products, and high precision chambers for semiconductor industry.

We serve a variety of market segments, such as telecommunications, computing, semiconductor, industrial, alternative energy, and medical, while partnering with customers from initial concept development, prototyping, builds verification and validation, through integration and system assembly, final test and service.

Our mechanical systems expertise is readily accessible at any of our state-of-the-art facilities worldwide that provide metal fabrication by soft tools, high-volume metal stamping & forging by hard tools with stage & progressive tools, plastic injection molding, aluminum die-casting, robotic welding capabilities, powder painting, wet painting, plating, cleaning processes, and leading precision machining capabilities.

As part of our mission to provide complete manufacturing solutions to customers, we offer a suite of world-class precision machining services in the U.S. and China. We utilize advanced numerically controlled machines enabling the manufacture of components to very tight tolerances and the assembly of these components in clean environments. Capabilities include expertise in complex medium- and large-format mill and lathe machining of aluminum, stainless steel, plastics, ferrous and nonferrous alloys, and exotic alloys. We also have helium and hydrostatic leak-test capabilities. By leveraging our established supply chain, we do lapping, plating, anodizing, electrical discharge machining (EDM), heat-treating, cleaning, laser inspection, painting and packaging. We have dedicated facilities supporting machining and complex integration with access to a suite of state-of-the-art, computer-controlled machining equipment that can satisfy the most rigorous demands for production and quality. This equipment includes fully automated “lights-out” machinery that continues production in the absence of human operators. With some of the largest horizontal milling machines in the United States, we are a supplier of vacuum chamber systems for the semiconductor, flat panel display, and LED equipment markets; and for Industrial and Aerospace (AS0100 certified) markets.

Viking Technology. Viking Technology is a leading designer in Non-Volatile memory, DRAM and SSD technologies and takes a different approach to the integration of SSDs and memory into data centers. With a breadth of solutions that bridge both SSD and DRAM, Viking Technology has the ability to deliver any storage solution from high-performance computing SSDs down to embedded kiosk flash devices. Viking Technology has over two decades of focused DRAM and storage development, delivering high technology solutions that optimize the value and performance of customers' applications in the Enterprise, Network Infrastructure, Embedded, and Defense & Aerospace markets.

In recent years, Viking Technology has pioneered several disruptive technologies that are paving the way for faster and more effective enterprise server and storage system solutions. Such innovations include a new storage-class memory module, ArxCis-NV™. The ArxCis-NV™, an NV-DIMM, enables significant performance improvements to a host of end applications, while delivering increased endurance to any SSD. With ArxCis-NV's latest DDR3 generation, enterprise systems are able to save and restore critical data that resides in main memory during a disastrous power-fail. This ability is critical for the evolving Cloud and Virtualization market to ensure reliability and disaster recovery. Another disruptive technology is the innovative SATADIMM™, an SSD in the form of a DIMM. Utilizing Viking Technology's state-of-the-art design and packaging technology, the SATADIMM™ is able to deliver all the performance, capacity, and features of an Enterprise SSD within 75% the footprint of a traditional 2.5-inch SSD. With its innovative form factor, the SATADIMM™ is capable of enabling a single server to deliver the performance of a full Rack within a single Rack Unit (1U).

SCI Technology - Defense & Aerospace (DAS). SCI Technology has been providing engineering services, products and manufacturing solutions to the global defense and aerospace industry for more than five decades. SCI Technology provides mission-critical products for aircraft systems, tactical communications, and radiation detection and monitoring, as well as fiber optics capabilities for use in a variety of military applications.

Our customers include U.S. government agencies, U.S. allies and major defense and aerospace prime contractors, and we have the infrastructure to support the stringent certifications, regulations, processes and procedures required by these customers.

Newisys. Our Newisys group designs and manufactures both standard and custom storage and server products including mass storage for high performance Cloud and Streaming Video applications, as well as Bulk and Backup Storage products. Newisys designs and produces storage and server products, including complete rack scale solutions.

Logistics and Repair Services. Our logistics and repair services provide significant value to our customers while helping protect their brand name and improving their customer experience through the deployment of enhanced tools and the provision of real-time access to critical business information. Our solutions are designed to reduce the total cost of ownership and enable our customers to shift their services operations to a variable cost model that frees up cash to allow them to focus on their core business initiatives.

Focusing on highly complex and mission-critical products and processes, we support the logistics and repair needs of customers in the Medical, Communications, Enterprise Computing, Aerospace & Defense and Multimedia markets worldwide. Through our operational infrastructure of more than 20 sites, we provide a wide range of services including direct order fulfillment, configure to order, supplier, inventory and warranty management, reverse logistics, repair, asset recovery, sustaining engineering, test development and end of life management to embrace the most unique needs of our customers today.

Drawing on a robust set of information systems, we offer configurable environments tailored to meet specific customer needs including customized web portals, order and serial number tracking, special routings and promotions. Local, regional and global solutions are supported by a robust set of business processes that focus on inventory reduction and risk mitigation that can improve cycle times by leveraging infrastructure, people and technology to enable reliable shipments of product to end users worldwide generally within 4 to 72 hours, depending on the services offered.

Logistics and repair services complement our end-to-end manufacturing strategy by integrating engineering, supply chain, manufacturing, logistics and repairs into a seamless solution for mission-critical customers around the world.

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 networks and computing and storage markets, while also focusing on other under-penetrated target markets, including the medical, automotive, industrial and semiconductor capital equipment, defense and aerospace, and CleanTech industries, many of which have not extensively relied upon EMS companies in the past. Our diversification across market segments and customers helps mitigate our dependence on any particular market.

Communications Networks: Wireless and Wireline Access, Optical and Wireline Routing, Switching, and Transmission and Enterprise Networking. In the communications sector, we focus on infrastructure equipment. This includes wireless and wireline access, filters, switching, routing and transmission systems, optical networking and transmission and enterprise networking systems. Our product design and engineering staff has extensive experience designing and industrializing advanced communications products and components for these markets. Products we manufacture include point-to-point microwave systems, wireless base stations, remote radio heads, satellite receivers and various radio frequency appliances, optical switches and transmission hardware and wireline access equipment as well as switches and routers among others. We also design and manufacture optical, RF and microelectronic components which are enabling devices in many of these products.

Computing and Storage. We provide CTO and BTO services to the computing and storage market. We tightly couple our vertically integrated supply chain with manufacturing and logistics allowing for assembly and distribution of products to be completed more quickly with high quality standards and at low cost. Our vertical integration capabilities include racks, enclosures, cables, complex multi-layer printed circuit boards, printed circuit assemblies and backplanes. In addition, we have designed and developed some of the most compact and powerful storage modules available on the market today which we have coupled with our global, vertically integrated supply chain and manufacturing capabilities to deliver true end-to-end, no touch, cost-effective EMS solutions to the data storage industry.

Multimedia. We manufacture digital set-top boxes, point of sale equipment, 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, direct order fulfillment including our BTO and CTO capabilities, and repair services.

Industrial and Semiconductor Systems. Our expertise in manufacturing highly complex systems includes production of industrial and semiconductor capital equipment, front-end environmental chambers, computer controllers and test, inspection, and public safety equipment. We also have significant experience in manufacturing highly complex systems such as process chambers, photolithography tools, etch tools, wafer handling interfaces, flat panel display test and repair equipment, chem-mech planarization tools, optical inspection and x-ray equipment, explosive detection equipment, and large format printing plate machines as well as full design and manufacturing capabilities on precision frames for all capital equipments.

Defense and Aerospace. We offer our end-to-end services to the defense and aerospace industry. Although the overall defense market may decline over the next few years, we believe this industry currently represents a growth opportunity for us due in part to the growing desire of defense and aerospace OEMs to outsource certain manufacturing activities in order to reduce costs. We believe our experience in serving the defense and aerospace industry, as well as our product design and engineering capabilities, represent key competitive strengths for us. Defense and aerospace products that we design and manufacture include avionics systems and processors, cockpit and wireless communications systems, tactical and secure network communications systems, radar subsystems, radiation detection systems for homeland defense and fiber-optic systems.

Medical. We provide comprehensive manufacturing and related services to the medical industry including design, logistics and regulatory approval support. The manufacturing of products for the medical industry often requires compliance with domestic and foreign regulations including the Food and Drug Administration's (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 13485-2003 (formerly EN 46002) and ISO 9001:2000. We manufacture a broad range of medical systems including blood glucose meters, computed tomography scanner assemblies, respiration systems, blood analyzers, cosmetic surgery systems, ultrasound imaging systems and a variety of patient monitoring equipment .

Clean Technology. We are committed to serving companies leading the clean technology, or CleanTech, revolution in the solar, wind, fuel cell, battery systems, LED lighting and smart infrastructure industries. We leverage traditional electronics manufacturing services (EMS) for clean technology customers in areas related to power electronics, control and distribution, smart meters and full-system integration. Beyond traditional EMS, our extensive range of electro-mechanical design and

[Table of Contents](#)

complex system manufacturing capabilities are an excellent fit across all CleanTech segments. Our manufacturing operations are strategically located in close proximity to CleanTech “hot spots”.

Automotive. In the automotive industry, we manufacture different types of sensors, body controllers, engine control units, radios, heating ventilation and air-conditioning (HVAC) control heads and blower modules as well as cables for entertainment solutions. We also provide design support, product and process qualification, manufacturing, supply chain management, supplier quality assurance and end-of-life services. All our automotive dedicated factories are TS 16949 certified and provide printed circuit boards, printed circuit board assemblies and cables as well as final systems.

Customers

A relatively small number of customers have historically generated a significant portion of our net sales. Sales to our ten largest customers represented approximately 50% of our net sales for 2012, 2011 and 2010, respectively. For 2012, one customer, Alcatel-Lucent, represented 10% or more of our net sales. For 2011 and 2010, a single customer represented more than 10% of our net sales in each year.

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 our marketing and sales efforts as well as acquisitions. 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. 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. Our supply agreements typically 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 or for other business reasons and may instead negotiate accommodations with customers regarding particular situations.

Seasonality

Seasonality in our business has historically been driven by customer and product mix, particularly the end markets which our customers serve. Although we have in the past experienced higher levels of sales during our first fiscal quarter, this pattern has not repeated itself every year. The extent to which our business will become more seasonal in the future depends upon our future customer base and the end markets that they serve, which we are unable to predict.

Backlog

We generally do not obtain firm, long-term commitments from our customers. Instead, our procurement of inventory and our 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. Customers typically do not make firm orders for the 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 orders is a meaningful measure of future sales.

Marketing and Sales

[Table of Contents](#)

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 manufacturing solutions through our direct sales force, customer support specialists and representative firms. Our sales resources are directed at multiple management and staff levels within target accounts. Our direct sales personnel and representative firms 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 solutions by encouraging cross-selling of vertically integrated manufacturing solutions 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.

Business Segment Data and our Foreign Operations

We have one reportable segment in 2012 - Integrated Manufacturing Solutions (IMS). Financial information for segments can be found in note 16 to our consolidated financial statements. Information concerning revenues, results of operations and revenues by geographic area is set forth in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Note 16, "Business Segment, Geographic and Customer Information", to our consolidated financial statements. Risks attendant to our foreign operations can be found in Item 1A. "Risk Factors."

Competition

For our integrated manufacturing solutions business, we face competition from other major global EMS companies such as Benchmark Electronics, Inc., Celestica, Inc., Flextronics International Ltd., Jabil Circuits, Inc. and Plexus Corp. Our components, products and services business faces competition from EMS and non-EMS companies that often have a regional 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 solution or geographic area. We believe the primary competitive factors in our industry include manufacturing technology, quality, delivery, responsiveness, provision of value-added solutions and price. We believe our primary competitive strengths include our ability to provide global end-to-end solutions, our product design and engineering resources, our advanced technologies, our vertically integrated manufacturing solutions, our high quality manufacturing assembly and test solutions, our customer focus and responsiveness, our expertise in serving diverse end markets, our robust IT solution and our experienced management team.

Intellectual Property

We hold various United States and foreign patents primarily related to printed circuit board technologies, methods of manufacturing printed circuit boards, enclosures, memory modules and enterprise computing (servers and storage). For other proprietary processes, we rely primarily on trade secret protection. We also have registered trademarks in the United States and certain other countries. A number of our patents covering certain aspects of our manufacturing processes or products have expired or will expire in the near future. Such expirations reduce our ability to assert claims against competitors or others who use similar technology.

Environmental Matters

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, product labeling and product content requirements, either directly or as required by our customers. Proper waste disposal is a major consideration in particular for printed circuit board manufacturers because of the metals and chemicals 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

[Table of Contents](#)

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 or other local 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 have developed corporate-wide standardized environmental management systems, auditing programs and policies to enable us to better manage environmental compliance activities. Our facilities are also certified 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 July 2006. Parallel initiatives have been adopted in other jurisdictions, including several states in the United States and the Peoples' Republic of China. RoHS limits the use of lead, mercury and certain other specified substances in electronics products and WEEE requires producers to assume responsibility for the collection, recycling and management of waste electronic products and components. We have implemented procedures intended to make our manufacturing process compliant with RoHS and the European Union's Registration, Evaluation and Authorization of Chemicals (REACH) legislation, when required. In the case of WEEE, the compliance responsibility rests primarily with OEMs rather than with EMS companies.

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 remediation obligations and other liabilities.

Our plants generally operate under environmental permits issued by governmental authorities. For the most part, 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. These liabilities include ongoing investigation and remediation activities at a number of current and former sites, including Irvine, California; Owego, New York; Derry, New Hampshire; Fort Lauderdale, Florida; and Brockville, Ontario. In addition, we have been named in a lawsuit alleging operations at our current and former facilities in Orange County, California contributed to groundwater contamination. There are some sites, including our acquired facility in Gunzenhausen, Germany, that are known to have groundwater contamination caused by a third-party, and that third-party has provided indemnity to us for the liability. Third party indemnities may not be effective to reduce our liability for environmental contamination. For example, Nortel Networks, which had provided us an indemnity with respect to environmental investigation activities being undertaken at our former Brockville site, is party to bankruptcy proceedings that may cause it not to fully honor its indemnification obligations to us. The time required to perform environmental remediation can be lengthy and there can be no assurance that the scope of these activities will not increase as a result of the discovery of new contamination or contamination on adjoining landowner's properties or the adoption of more stringent regulatory standards covering sites at which we are currently performing remediation activities. As a result there can be no assurance that these or any other similar third-party or governmental claims that may be filed in the future will not result in material liability to us.

We have also been named as a potentially responsible party at a contaminated disposal site operated by another party at the Casmalia Resources disposal site in Southern California as a result of the past disposal of hazardous waste by companies we have acquired or by our corporate predecessors. In addition, we have been named as a potentially responsible party by the California Department of Toxic Substance Control at a waste treatment site operated by another party in San Jose, California, allegedly as a result of waste we sent to be treated at that facility being discharged into the environment. 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, nor can we provide assurance that we do not have environmental exposures of which we are unaware and which could adversely affect our operating results.

We use environmental consultants primarily for risk assessments and remediation, including remedial investigation and feasibility studies, remedial action planning and design, and site remediation. These consultants provide information to us

[Table of Contents](#)

regarding the nature and extent of site contamination, acceptable remediation alternatives, and estimated costs associated with each remediation alternative. This information is considered by us, together with other information, when determining the appropriate amount to accrue for environmental liabilities.

Employees

As of September 29, 2012, we had 44,879 employees, including 8,733 temporary employees. None of our U.S. employees are represented by a labor union. In some international locations, our employees are represented by labor unions on either a national or plant level or are subject to collective bargaining agreements. Some foreign 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 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>.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth the name, position and age of our current executive officers and their ages as of September 29, 2012.

Name	Age	Position
Jure Sola	61	Chairman of the Board and Chief Executive Officer
Robert Eulau	50	Executive Vice President and Chief Financial Officer
Michael Tyler	56	Executive Vice President, General Counsel and Corporate Secretary
Dennis Young	61	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 as 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 our Vice President and General Manager, responsible for manufacturing operations and sales and marketing and was President from October 1989 to March 1996.

Robert Eulau has served as our Executive Vice President and Chief Financial Officer since September 2009. Prior to joining us, he served as Executive Vice President, Chief Operating Officer and Chief Financial Officer of privately-owned Alien Technology Corporation, a developer of radio frequency identification products, from March 2006 through June 2008. Previously, he was Senior Vice President and Chief Financial Officer of publicly-traded Rambus Inc., a technology licensing company, from May 2001 through March 2006. Prior to Rambus, Mr. Eulau served over 15 years with Hewlett Packard Company in various leadership roles, including Vice President and Chief Financial Officer of HP's Business Customer Organization, and Vice President and Chief Financial Officer of HP's Computing Products business.

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 to 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 us, 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.

Item 1A. Risk Factors

Adverse market conditions in the electronics industry could reduce our future sales and earnings per share.

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. Beginning in the fourth quarter of calendar 2011 and continuing through 2012, adverse worldwide economic conditions led to challenging conditions in the electronics industry. A number of factors, including price instability, the availability and cost of credit, high global unemployment and concerns about the stability and solvency of financial institutions, financial markets, businesses, and sovereign nations have slowed global economic growth in many countries. These conditions resulted in our customers delaying purchases or placing purchase orders for lower volumes of products than previously experienced or anticipated. Such conditions could also cause a reduction in orders from our customers or potential customers due to a reduced availability of credit and the insolvency of one or more customers or suppliers. Any of these factors could reduce our revenues, increase our costs and decrease our liquidity.

We may experience component shortages or price increases, which could cause us to delay shipments to customers and reduce our sales and net income.

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 experience in the future, delays in delivery and shortages of components, which in turn could cause delays in product shipments to customers, result in reduced revenue from and have an adverse effect on our relationship with affected customers, and our reputation generally as a reliable service provider. Component shortages can result in increased component prices which would result in decreased gross profit. Component delays and shortages can also result from natural disasters occurring in the regions in which our suppliers operate, such as the March 2011 earthquake in Japan and the widespread flooding in Thailand during late 2011. We may purchase components in advance of our requirements for such components as a result of a threatened or anticipated shortage. In this event, we may incur additional inventory carrying costs and have a heightened risk of exposure to inventory obsolescence, the cost of either of which may not be recoverable from our customers. Such costs would reduce our margins and net income. Finally, if key components become scarce, we may be required to look to second tier vendors or to procure components through brokers. Such components may be of lesser quality than those otherwise available and could cause us to incur costs to qualify such components or to replace them if they prove to be defective.

Our customers could experience credit problems, which would reduce our future revenues and net income.

Many of the industries for which we provide products have previously experienced significant financial difficulty, with some of the participants filing for bankruptcy. Such financial difficulty, if experienced by one or more of our customers, may negatively affect our business due to the decreased demand from these financially distressed customers, the lengthening of customer payment terms, the potential inability of these companies to make full payment on amounts owed to us or to purchase inventory we acquired to support their businesses, or any of these factors. Customer bankruptcies also entail the risk of potential recovery by the bankruptcy estate of amounts previously paid to us that are deemed a preference under bankruptcy laws. We do not carry insurance against the risk of customer default on their payment obligations to us.

We seek to mitigate the impact of collection problems with our customers on our financial results by evaluating their creditworthiness on an ongoing basis and by maintaining an allowance for doubtful accounts that is assessed for adequacy quarterly. However, should customer defaults increase substantially or exceed the level of our allowance, our revenue, net income and cash position would be reduced, perhaps significantly.

Our cash generated from operations is variable, which can adversely affect our ability to plan and invest in the business .

Our ability to make capital expenditures and pay down debt and the extent to which we need to utilize our borrowing facilities depends in large part on our ability to generate cash from operations. Cash generated from operations is highly variable. For example, during 2010, we used \$78 million of cash in operating activities, in 2011 we generated \$235 million in cash from operating activities and in 2012, we generated \$215 million of cash from operating activities. Our cash generated by or used in operations is impacted by a number of variables, including our growth and profitability, customer and supplier payment terms, timeliness of customer payments to us and the extent to which we need to increase inventories in response to customer forecasts. To the extent our cash from operations fluctuates significantly in the future, our ability to make investments in our business and reduce our debt could be adversely impacted.

Our strategy to pursue higher margin business depends in part on the success of our Components, Products and Services (CPS) business, which, if not successful, could cause our future gross margins and operating results to be lower.

A key part of our strategy is to grow our CPS business, which includes printed circuit boards; backplane and cable assemblies; mechanical systems; memory, defense and aerospace and enterprise computing products; and design, engineering, logistics and repair services. A decrease in orders for these products and services can have a disproportionate adverse impact on our profitability since these products and services generally carry higher than average contribution margins. In order to grow this portion of our business profitability, we must continue to make substantial investments in the development of our product development capabilities, research and development activities, test and tooling equipment and skilled personnel. The success of our CPS business also depends on both our ability to increase sales of our propriety products, cause our customers to agree to purchase our components for use in the manufacture of their products and expand the number of our customers who contract for our design, engineering, logistics and repair services. We may face challenges in achieving commercially viable yields and difficulties in manufacturing components in the quantities and to the specifications and quality standards demanded by our customers, as well as in qualifying our components for use in our customers' designs. Our proprietary products and design, engineering, logistics and repair services must compete with products and services offered by established vendors which focus solely on development of similar technologies or the provision of similar services. Any of these factors could cause our CPS revenue and margins to be less than expected, which would have an overall adverse and potentially disproportionate effect on our revenues and profitability.

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

We provide products and services to companies that serve the communications, industrial, defense, medical, enterprise computing and storage, multimedia, clean technology and automotive industries. Adverse changes in any of these markets could reduce demand for our customers' products or make these customers more sensitive to the cost of our products and services, either of which could reduce our sales, gross margins and net income. A number of factors could affect any of these industries in general, or our customers in particular, and lead to reductions in net sales, thus harming our business. These factors include:

- short product life cycles of our customers' products leading to continuing new requirements and specifications and product obsolescence, either of which could cause us to lose business;
- failure of our customers' products to gain widespread commercial acceptance which could decrease the volume of orders customers place with us; and
- recessionary periods in our customers' markets which decrease orders from affected customers.

We realize a substantial portion of our revenues from communications equipment customers. This market is highly competitive, particularly in the area of price. Should any of our larger customers in this market fail to effectively compete with their competitors, they could reduce their orders to us or experience liquidity difficulties, either of which would have the effect of reducing our revenue and net income, perhaps substantially. In addition, in the case of our defense business, future U.S. government budget conditions and the scheduled withdrawal of armed forces from Afghanistan could result in a decrease in defense spending, which in turn could cause a reduction in orders placed by the government or defense contractors for products manufactured by our defense and aerospace (DAS) division. Since such products carry higher margins than many of our other products and services, such a decrease would contribute disproportionately to a reduction in our gross margin and profitability. For example, an unexpected decline in DAS orders during the second quarter of 2011 contributed to our financial results not meeting analyst expectations in that quarter. There can be no assurance that we will not experience declines in demand for such products in the future.

We may be unable to generate sufficient liquidity to reduce our debt levels or maintain or expand our operations, which may cause our stock price to fall and reduce the business our customers and vendors do with us.

Our liquidity is dependent on profitability and business volume which affects working capital, including inventory requirements, the extension of trade credit by our suppliers, the degree of alignment of payment terms from our suppliers to payment terms granted to our customers, investments in facilities and equipment, acquisitions, repayments of obligations under outstanding indebtedness and repurchases of our outstanding debt. In order to improve our liquidity, during the second quarter of 2012, we renewed and increased our asset-backed credit facility increasing the facility to \$300 million, under which we could borrow \$232 million based on the levels of eligible receivables and inventories as of September 29, 2012, and in the fourth quarter of 2012, we borrowed \$40 million secured by our corporate headquarters. We also have \$128 million in short-term financing facilities of which \$68 million remained available to be borrowed as of September 29, 2012. Our asset-backed credit facility expires as early as the second quarter of 2014 should the Senior Floating Rate Notes due 2014 not be repaid, redeemed, defeased, refinanced or reserved under the borrowing base, and as late as March 2017. Our next long-term debt

[Table of Contents](#)

maturity is in 2014. Additionally, \$70 million of our foreign short-term credit facilities expires in the third quarter of 2013 and \$58 million expires in the fourth quarter of 2013. On July 23, 2012, we redeemed \$150 million of notes due in 2016 using cash, borrowings under our credit facilities and the net proceeds from our \$40 million loan.

In the event we need additional capital, whether for working capital, debt repayment or otherwise, there can be no assurance that such additional debt or equity capital will be available on acceptable terms or at all. New financing could result in us issuing additional equity securities, which could cause dilution to existing stockholders. If additional or continued financing, including the continued extension of trade credit by our suppliers, is not available when required, our liquidity would be reduced. The risks of reduced liquidity include an inability to maintain or increase our rates of production, to make necessary capital expenditures in order to maintain and expand our manufacturing capacity as needed, and to repay, reduce or refinance our debt. Any of these issues could cause our stock price to fall and reduce our customers' and vendors' willingness to do business with us.

Our credit arrangements contain covenants which may adversely impact our business and the failure to comply with such covenants could cause our outstanding debt to become immediately payable.

Other than our \$40 million loan which used certain of our real property as collateral, our debt agreements do not contain financial covenants currently applicable to us, but do include a number of restrictive covenants, including restrictions on incurring additional debt, making investments and other restricted payments, selling assets, paying dividends and redeeming or repurchasing capital stock and debt, subject to certain exceptions. Our \$40 million loan requires us to maintain a minimum fixed charge coverage ratio during its term. These covenants could constrain our ability to grow our business through acquisition or engage in other transactions which the covenants would otherwise restrict, including refinancing our existing debt. In addition, such agreements include covenants requiring, among other things, that we file quarterly and annual financial statements with the SEC, comply with all laws, pay all taxes and maintain casualty insurance. If we are not able to comply with all of these covenants, for any reason, some or all of our outstanding debt as well as all amounts payable under our interest rate swaps on such debt, if any, could become immediately due and payable and the incurrence of additional debt under our asset-backed credit facility would not be allowed, any of which could have a material adverse effect on our liquidity and ability to conduct our business.

Early redemptions and repurchases of debt reduce our working capital and liquidity; debt refinancing can entail higher interest expense, which would lower our net income; interest payments on variable rate debt can increase, which would lower our net income.

During 2010, 2011 and 2012, we redeemed \$195.7 million, net \$80 million and net \$360 million of our long-term debt, respectively. Although redemptions and repurchases of debt improve our operating results by reducing our interest expense, these actions also reduce our liquidity. If we should repurchase or redeem additional debt or equity, our working capital and liquidity would be further reduced. In addition, should we undertake to refinance any of our outstanding long-term debt, the next maturity of which is 2014, there can be no assurance that the terms of such refinancing, particularly the interest rate, would be favorable to us. Should we be forced to replace lower interest rate debt with higher interest rate debt, our net income would be reduced. As of September 29, 2012, an aggregate of \$540 million of our long-term debt and all of our short-term borrowings bear interest at a variable rate based upon LIBOR. Interest rates, including LIBOR, can change due to a variety of factors, including governmental debt levels, ratings downgrade of U.S. or other sovereign debt, the pace of economic growth and central bank actions. In addition, volatility of LIBOR could increase following recent governmental investigations concerning the manner in which LIBOR rates are determined. Should LIBOR increase substantially in the future for any reason, interest payments on our variable interest rate debt would also increase, lowering our net income.

We are subject to intense competition in the EMS industry which could cause us to lose sales and therefore hurt our financial performance.

The EMS industry is highly competitive and the industry has been experiencing a surplus of manufacturing capacity, particularly in light of the slowdowns in the U.S. and certain international economies. Our competitors include major global electronics manufacturing services (EMS) providers such as Benchmark Electronics, Inc., Celestica, Inc., Flextronics International Ltd., Jabil Circuit, Inc. and Plexus Corp., as well as other EMS companies that have a regional, product, service or industry specific focus. Some of those 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, greater economies of scale or the services they provide or because these

[Table of Contents](#)

competitors are willing to provide EMS services at prices we are unable or unwilling to offer. 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, which would decrease our sales and net income.

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

We typically earn lower gross margins when we provide less complex IMS services. We experience continued pressure from OEMs to reduce prices, and competition remains intense. Pricing pressure is typically more intense for less complex, lower margin IMS 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 and products does not increase in the future, our gross margins and operating results in future periods may be lower than expected.

Our operating results are subject to significant uncertainties, which make predictability of our future sales and net income difficult.

Our operating results are subject to significant uncertainties, including:

- conditions in the economy as a whole and in the electronics industry;
- fluctuations in components prices and component shortages caused by high demand, natural disaster or otherwise;
- timing of new product development by our customers which creates demand for our services;
- levels of demand in the end markets served by our customers;
- our ability to replace declining sales from end-of-life programs with new business wins;
- timing of orders from customers and the accuracy of their forecasts;
- inventory levels of customers, which if high relative to their normal sales volume, could cause them to reduce their orders to us;
- timing of expenditures in anticipation of increased sales, customer product delivery requirements and shortages of components or labor;
- increased labor costs in the regions in which we operate;
- 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;
- degree to which we are able to utilize our available manufacturing capacity;
- our ability to maintain desired plant operating efficiencies, including achieving acceptable yields, effectively planning production and managing our inventory and fixed assets to avoid high carrying costs and excess working capital;
- customer insolvencies resulting in bad debt or inventory exposures that are in excess of our reserves;
- our ability to efficiently move manufacturing activities to lower cost regions without adversely affecting customer relationships while controlling costs related to the closure of facilities and employee severance;
- pricing and other competitive pressures;
- fluctuations in the values of our assets, including real property and assets held for sale, which could result in charges to income;
- volatility of foreign currency exchange rates;
- changes in our tax provision due to changes in our estimates of pre-tax income in the jurisdictions in which we operate, including our ability to utilize our deferred tax assets; and
- political and economic developments in countries in which we have operations which could restrict our operations or increase our costs.

If any of these uncertainties should be realized, our financial results could be adversely impacted.

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 predict. If we do not receive anticipated orders as expected, our profitability will decline. 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 generally do not obtain long-term volume purchase commitments from customers and, therefore, cancellations, reductions in production quantities, delays in production by our customers and changes in customer requirements could reduce our sales and net income.

We generally do not obtain firm, long-term purchase commitments from our customers and our bookings may generally be canceled prior to the scheduled shipment date. Customers may cancel their orders, reduce production quantities or delay production for a number of reasons, including significant decreases in demand for their products and services. Although the customer is generally liable for finished goods and work-in-process at the time of cancellation, 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:

- reduce our sales and net income by decreasing the volumes of products that we manufacture for our customers;
- delay or eliminate recovery of our expenditures for inventory purchased in preparation for customer orders; and
- lower our asset utilization, which would result in lower gross margins and lower net income.

In addition, customers sometimes require 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, Canada and Western Europe, and as a result we have incurred significant 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 decrease our net income.

Commodity price fluctuations may negatively impact our results of operations.

Our components are manufactured using a number of commodities, including petroleum, gold, copper and other metals that are subject to frequent and unpredictable changes in price due to worldwide demand, investor interest and economic conditions. We do not hedge against the risk of these fluctuations, but rather attempt to adjust our product pricing to reflect such changes. Portions of the Dodd-Frank Act, which will require due diligence and disclosure by publicly-traded OEM's and manufacturers of information concerning the source of certain minerals contained in their products, may reduce the acceptable sources of supply of such minerals, which could have the effect of increasing prices for such minerals and the components containing them. Should significant increases in commodities prices occur and should we not be able to increase our product prices enough to offset these increased costs, our gross margins and profitability would decrease, perhaps significantly.

Energy price increases may negatively impact our results of operations.

We, along with our suppliers and customers, rely on various energy sources (including oil) in our manufacturing and transportation activities. There has been significant volatility in the prices of energy during the recent past and such volatility is likely to continue in the future. A sustained increase in energy prices could cause an increase to our raw material, components and transportation costs. We may not be able to increase our product prices enough to offset these increased costs. In addition, any increase in our product prices may reduce our future customer orders and profitability.

We rely on a relatively small number of customers for a substantial portion of our sales, and declines in sales to these customers would reduce our net sales and net income.

One customer represented 10% or more of our net sales and sales to our ten largest customers represented 49.7% of our net sales during 2012. We expect to continue to depend upon a relatively small number of customers for a significant percentage of our sales. A significant reduction in sales to any of our large customers or significant pricing and margin pressures exerted by our large customers 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 demand for their product, 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 reduce 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 reduce our net sales and net income.

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 81.8% of our net sales from non-U.S. operations in 2012 and a significant portion of our manufacturing material was provided by

[Table of Contents](#)

international suppliers during this period. As a result of our international operations, we are affected by economic, political and other conditions in foreign countries, including:

- the imposition of government controls;
- compliance with U.S. and foreign laws concerning trade and employment practices;
- difficulties in obtaining or complying with export license requirements;
- trade restrictions;
- changes in tariffs;
- labor unrest, including strikes, and difficulties in staffing;
- security concerns;
- 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;
- adverse rulings in regards to tax audits;
- excess costs associated with reducing employment or shutting down facilities;
- misappropriation of intellectual property; and
- constraints on our ability to maintain or increase prices.

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 taxes may increase, which would reduce our net income.

Additionally, a significant portion of our worldwide cash reserves are generated by, and therefore held in, foreign jurisdictions. Some jurisdictions restrict the amount of cash that can be transferred to the U.S. 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 taxes to repatriate these funds.

We operate in countries that have experienced labor unrest and political instability, including China, India, Malaysia, Thailand and other countries in Southeast Asia and we have experienced work stoppages and similar disruptions in certain foreign jurisdictions, including India. To the extent such developments prevent us from adequately staffing our plants and manufacturing and shipping products in those jurisdictions, our margins and net income could be reduced and our reputation as a reliable supplier could be negatively impacted.

Failure to comply with domestic or international employment and related laws could result in the payment of significant damages, which would reduce our net income.

We are subject to a variety of domestic and foreign employment laws, including those related to safety, wages and overtime, discrimination, whistleblowing, classification of employees and severance payments. Enforcement activity relating to these laws, particularly outside of the United States, can increase as a result of increased media attention due to violations by other companies, changes in law, political and other factors. Although we believe that our employment practices comport with local customs, there can be no assurance that, due to a more aggressive enforcement posture by governmental authorities, we won't be found to have violated elements of such laws, which can be complex, in the future. Any such violations could lead to the assessment of fines against us by federal, state or foreign regulatory authorities or damages payable to employees, which could be substantial and would reduce our net income.

Unanticipated changes in our tax rates or exposure to additional income tax liabilities could increase our taxes and decrease our net income.

We are subject to income, sales, value-added and other taxes in the United States and various foreign jurisdictions. Significant judgment is required in determining our worldwide provision for taxes and, in the ordinary course of business, there are many transactions and calculations for which 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 and other factors. Our tax determinations are regularly subject to audit by tax authorities and developments in those audits could adversely affect our tax provisions, including through assessment of back taxes, interest and penalties. For example, we are currently undergoing audits of our tax returns for certain recent tax years in a number of jurisdictions, including the U.S. and Mexico. Although we believe that our tax estimates are reasonable and our

existing tax reserves are adequate, the final determination of tax audits or tax disputes may be different from what is reflected in our historical tax provisions which could lead to an increase in our taxes payable and a decrease in our net income.

We have taken substantial restructuring charges in the past and we may need to take material restructuring charges in the future.

We have incurred significant expenses related to restructuring of our operations in the past and may continue to do so in the future. For example, we have moved, and may continue to move, our operations from higher-cost to lower-cost locations to meet customer requirements. We have incurred costs related to workforce reductions, facilities closure and subsequent environmental remediations, work stoppages and labor unrest resulting from the closure of our facilities in higher cost locations. In addition, 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 to restructure operations that have been acquired in order to integrate them into our Company. We expect to be required to record additional charges related to restructuring activities in the future, but cannot predict the timing or amount of such charges. Any such charges would reduce our net income.

Our results can be adversely affected by rising labor costs.

There is substantial uncertainty about future labor costs, in particular within the lower-cost regions in which we operate. In the past, labor disputes and strikes based partly on wages have slowed or stopped production at certain manufacturers in China and India. In some cases, employers have responded by significantly increasing the wages of workers at such plants. In addition, the cost structure in certain countries that are now considered to be favorable may increase as economies develop, causing local wages to rise. In addition, demographic and other changes may cause a sustained and permanent increase in wages in the lower-cost geographies in which we operate, particularly in China. If we are required to make any substantial increase in wages that we are unable to recover from our customers, our profitability would be reduced.

As a result of our components ordering policies and customer-requested ship dates, we may incur, and not be able to recover from our customers, the purchase price or carrying costs of components, work-in-process or finished goods kept in our inventory, which would decrease our margins and net income.

In order to satisfy customer orders, we are frequently required to order components and other parts in advance of customer payment, particularly for long lead-time items. Furthermore, we may be required to keep additional components, work-in-process and finished goods in inventory in order to meet customer delivery dates. While our supply agreements with our customers generally allocate most of the liability for payment for such items to the customers, we may nonetheless incur additional carrying costs or not ultimately be compensated for these items should the customer default upon its obligations. To the extent we incur any such costs, our gross margins and net income would be reduced.

If we manufacture or design defective products, or if our manufacturing processes do not comply with applicable statutory and regulatory requirements, we could be subject to claims, damages and fines and lose customers.

We manufacture products to our customers' specifications, and in some cases our manufacturing processes and facilities may need to comply with various statutory and regulatory requirements. For example, many of the medical devices that we manufacture, as well as the facilities and manufacturing processes that we use to produce them must comply with standards established by the United States 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 design or manufacture 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 design or manufacture may result in product recalls, warranty claims by customers, including liability for repair costs, delayed shipments to customers or reduced or canceled customer orders. If these defects or deficiencies are significant, our results of operations and business reputation could be harmed. The failure of the products that we design or manufacture 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 product 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 could result in death or significant injury to end users of these products. Even if our customers are contractually responsible for defects in the design of a product, we could nonetheless be named in a product liability suit over such defects and could be required to expend significant resources defending ourselves.

We 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. Any such costs and damages could be significant and would reduce our net income.

Our business could be adversely affected by any delays, or increased costs, resulting from the use of common carriers to transport our materials and, products.

We rely on a variety of common carriers to transport our raw materials and components from our suppliers to us, and to transport our products to our customers. The use of common carriers is subject to a number of risks, including increased costs due to rising energy prices and labor, vehicle and insurance costs, criminal activity, such as hijackings, resulting in losses of shipments, delivery delays resulting from labor disturbances and strikes and other factors beyond our control. While we attempt to mitigate our liability for any losses resulting from these risks through contracts with our customers, suppliers and insurance carriers, any costs or losses that cannot be mitigated could reduce our profitability, require us to manufacture replacement product or damage our relationships with our customers.

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

Our success depends upon the continued service of our key personnel. Generally, these employees are not bound by employment or non-competition agreements. We cannot assure you that we will retain our key employees, particularly our highly skilled operations managers and 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 key employees were to join a competitor or otherwise compete directly or indirectly with us or otherwise become unavailable to us, we could lose customers and our sales and gross margins could decrease.

If we are unable to maintain our technological and manufacturing process expertise, our business could be adversely affected.

Improvements to and refinements of our manufacturing processes are necessary to manufacture next generation products for our customers in a cost-efficient manner. As a result, we are continually evaluating the cost-effectiveness and feasibility of new manufacturing processes. In some cases, we will be required to make capital expenditures and incur engineering expense in order to qualify and validate any such new process. Such expenses would reduce our net income. In addition, any delay in the deployment of such new process, or problems commencing volume production using a new process could also reduce our margins and net income and harm our reputation with our customers.

Our international sales are subject to laws relating to trade, export controls and foreign corrupt practices, the violation of which could adversely affect our operations.

We are required to comply with all applicable domestic and foreign export control laws, including the International Traffic in Arms Regulations (“ITAR”) and the Export Administration Regulations (“EAR”). Some items manufactured by us are controlled for export by the United States Department of Commerce’s Bureau of Industry and Security under the EAR. In addition, we are subject to the Foreign Corrupt Practices Act and international counterparts relating to bribery of foreign governments and officials. Violation of any of these laws or regulations could result in significant sanctions, including large monetary penalties and suspension or debarment from participation in future business opportunities, which could reduce our future revenue and net income and damage our reputation as a reputable supplier.

We are subject to a number of U.S. governmental procurement rules and regulations, the failure to comply with which could result in damages or reduction of future revenue.

We are subject to a number of laws and regulations relating to the award, administration and performance of U.S. government contracts and subcontracts. Such laws and regulations govern, among other things, price negotiations, cost accounting standards and other aspects of performance under government contracts. These rules are complex and our performance under them is subject to audit by the Defense Contract Audit Agency and other government regulators. If an audit or investigation reveals a failure to comply with regulations or other improper activities, we may be subject to civil or criminal penalties and administrative sanctions by either the government or the prime customer, including termination of the contract,

[Table of Contents](#)

payment of fines and suspension or debarment from doing further business with the U.S. government. Any of these actions would increase our expenses, reduce our revenue and damage our reputation as a reliable government supplier.

We can experience losses due to foreign exchange rate fluctuations, which would reduce our net income.

Because we manufacture and sell a substantial portion of our products abroad, our operating costs are subject to fluctuations in foreign currency exchange rates. If the U.S. dollar weakens against the foreign currencies in which we denominate certain of our trade accounts payable, fixed purchase obligations and other expenses, the U.S. dollar equivalent of such expenses would increase. We use financial instruments, primarily short-term foreign currency forward contracts, to hedge certain forecasted foreign currency commitments arising from trade accounts receivable, trade accounts payable and fixed purchase obligations. Our foreign currency hedging activities depend largely upon the accuracy of our forecasts of future sales, expenses, capital expenditures and monetary assets and liabilities. As such, our foreign currency forward contracts may exceed or not cover our full exposure to exchange rate fluctuations. If these hedging activities are not successful, we may experience significant unexpected expenses from fluctuations in exchange rates. Although we believe our foreign exchange hedging policies are reasonable and prudent under the circumstances, we can provide no assurances that we will not experience losses arising from currency fluctuations in the future, which could be significant.

Any failure to comply with applicable environmental laws could adversely affect our business by causing us to pay significant amounts for cleanup of hazardous materials or for damages or fines.

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 or if we occupy or occupied in the past a site at which a predecessor company caused contamination, we may be held liable for damages and the costs of remedial actions. We cannot assure you that we will not violate environmental laws and regulations in the future as a result of human error, equipment failure or other causes. Although we estimate and regularly reassess our potential liability with respect to violations or alleged violations and accrue for such liability, we cannot assure you that our accruals will be sufficient to cover the actual costs we incur as a result of these violations or alleged violations or that no violations will not occur for which a reserve has not been established. Any increase in existing reserves or establishment of new reserves for environmental liability would reduce our net income. Our failure to comply with applicable environmental laws and regulations could also 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.

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 remediation obligations and other liabilities.

Our plants generally operate under environmental permits issued by governmental authorities. For the most part, 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. These liabilities include ongoing investigation and remediation activities at a number of current and former sites, including ones located in Irvine, California; Owego, New York; Derry, New Hampshire; Fort Lauderdale, Florida; and Brockville, Ontario. In addition, we have been named in a lawsuit alleging operations at our current and former facilities in Orange County, California contributed to groundwater contamination. There are some sites, including our acquired facility in Gunzenhausen, Germany, that are known to have groundwater contamination caused by a third-party, and that third-party has provided indemnity to us for the liability. Third party indemnities may not be effective to reduce our liability for environmental contamination. For example, Nortel Networks, which had provided us an indemnity with respect to environmental investigation activities being undertaken at our former Brockville site, is party to bankruptcy proceedings that may cause it not to fully honor its indemnification obligations to us. The time required to perform environmental remediations can be lengthy and there can be no assurance that the scope of these activities will not increase as a result of the discovery of new contamination or contamination on adjoining landowner's properties or the adoption of more stringent regulatory standards covering sites at which we are currently performing remediation activities. As a result, there can be no assurance that these or any other similar third-party or governmental claims that may be filed in the future will not result in material liability to us.

[Table of Contents](#)

We have also been named as a potentially responsible party at a contaminated disposal site operated by another party at the Casmalia Resources site in Southern California, as a result of the past disposal of hazardous waste by companies we have acquired or by our corporate predecessors. In addition, we have been named as a potentially responsible party by the California Department of Toxic Substance Control at a waste treatment site operated by another party in San Jose, California, allegedly as a result of waste we sent to be treated at that facility being discharged into the environment. Although liabilities for such historical treatment and 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, nor can we provide assurance that we do not have environmental exposures of which we are unaware and which could adversely affect our operating results.

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 remediation activities, 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 RoHS (Restriction of Hazardous Substances) and WEEE (Waste from Electrical and Electronic Equipment) directives which took effect beginning in 2005. Parallel initiatives have been adopted 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. Although we believe we have implemented procedures to make our manufacturing process RoHS compliant, a successful assertion by a governmental entity of 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, which could increase our costs.

Consolidation in the electronics industry may adversely affect our business by increasing customer buying power and increasing prices we pay for components.

Consolidation in the electronics industry among our customers, our suppliers 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 decrease the prices paid to us by these customers. In addition, if one of our customers is acquired by another company that does not rely on us to provide EMS services either because it has its own production facilities or relies on another provider of similar services, we may lose that customer's business. Similarly, consolidation among our suppliers could result in a sole or limited source for certain components used in our customers' products. Any such consolidation could cause us to be required to pay increased prices for such components, which would reduce our gross margin and profitability.

Employee theft or fraud could result in loss.

Certain of our employees have access to, or signature authority with respect to, bank accounts or other company assets, which exposes us to the risk of fraud or theft. In addition, certain employees have access to key IT infrastructure and to customer and other information that is commercially valuable. Should any employee, for any reason, compromise our IT systems, or misappropriate customer or other information, we could incur losses, including losses relating to claims by our customers against us, the willingness of customers to do business with us may be damaged and, in the case of our defense business, we could be debarred from future participation in government programs. Any losses due to employee fraud or malfeasance may not be fully covered by insurance.

We may not be successful in implementing and integrating strategic transactions or in divesting non-strategic assets, which could cause our financial results to fail to meet our forecasts.

From time to time, we may 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 our profits, and to further develop existing customer relationships. Strategic transactions involve a number of risks, uncertainties and costs, including the following:

- integrating acquired operations and businesses including in regions or countries in which we have not previously operated;

[Table of Contents](#)

- incurring severance and other restructuring costs to rationalize any purchased operation, which would reduce our net income;
- obtaining regulatory approvals or other conditions to closing, which could delay the closing of strategic transactions;
- diverting management attention from day-to-day duties in order to implement and integrate strategic transactions;
- scaling up production and coordinating management of operations at new sites;
- incurring transaction expenses, including fees of investment bankers, attorneys and accountants, which could be significant;
- 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;
- satisfying unforeseen liabilities of acquired businesses, including liability for past violations of law and environmental liabilities, which could require the expenditure of material amounts of cash or subject us to ongoing regulatory scrutiny or requirements;
- operating in the geographic market or industry sector of the business acquired in which we may have little or no experience;
- complying with laws of new jurisdictions in which we have not previously operated;
- 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 reduce our sales below and increase our costs above our forecasts and could cause write-downs of the value of the business acquired which would decrease our net income. Acquisitions may also be dilutive to our earnings per share, particularly if our projections and assumptions about the acquired business' future operating results prove to be inaccurate. As a result, although the goal of our acquisitions is to improve our business and increase stockholder value, any transactions that we complete may ultimately fail to increase our sales and net income and stock price.

If we are unable to protect our intellectual property or infringe, or are alleged to infringe, upon intellectual property of others, we could lose sales or be required to pay significant amounts in costs or damages.

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 intellectual property. For example, we rely in part upon patents to protect our intellectual property position. However, a number of our patents covering certain aspects of our manufacturing processes or products have expired or will expire in the near future. Such expirations reduce our ability to assert claims against competitors or others who use or sell similar technology. Any failure to protect our intellectual property rights would diminish or eliminate the competitive advantages that we derive from our proprietary technology.

We are also subject to the risk that former employees violate the terms of their proprietary information agreements with us which require them to keep confidential and not to use for their benefit information obtained in the course of their employment with us. Should a key former employee use or disclose such information, including information concerning our customers, pricing, capabilities or strategy, our ability to obtain new customers and to compete could be adversely impacted.

Finally, we may occasionally become involved in administrative proceedings, lawsuits or other proceedings if others allege that we infringe on their intellectual property rights. Some of these claims could subject us to significant liability for damages and invalidate our property rights. If successful, such claims could impair our ability to collect royalties or license fees or 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, at our expense, a license to sell the relevant technology at an additional cost, which license may not be available on reasonable terms, or at all; or
- redesign those products or services that use the infringed technology.

We sometimes design products on a contract basis or jointly with our customers. In these situations, we may indemnify our customer against liability caused by claims that the design infringes the intellectual property rights of a third party. Such indemnification claims could require us to assume the defense of such a claim, the cost of which could be significant.

[Table of Contents](#)

Any of these results could reduce our revenue, increase our costs and reduce our net income and could damage our reputation with our customers. In addition, any type of intellectual property lawsuit, whether initiated by us or a third party, would likely be time consuming and expensive to resolve and would divert management's time and attention.

We may not have sufficient insurance coverage for potential claims and losses, which could leave us responsible for certain costs and damages.

We carry various forms of business and liability insurance in types and amounts we believe are reasonable and customary for similarly situated companies in our industry. However, we do not have insurance coverage for all of the risks and liabilities we assume in connection with the products and services we provide to our customers, including failure to comply with typical customer warranties for workmanship, product liability, intellectual property infringement and product recall claims and losses due to hacking or intrusion into our IT infrastructure. In addition, our policies generally have deductibles that would reduce the amount of our potential recoveries from insurance. As a result, not all of our potential business losses are covered under our insurance policies. Should we sustain a significant uncovered loss, our net income would be reduced.

Provisions of the Dodd-Frank Act relating to "Conflict Minerals" may increase our costs and lead to reputational challenges.

The Dodd-Frank Wall Street Reform and Consumer Protection Act contains provisions to improve transparency and accountability concerning the supply of certain minerals originating from the Democratic Republic of Congo (DRC) and adjoining countries that are believed to be benefitting armed groups. As a result, the SEC has recently adopted new due diligence, disclosure and reporting requirements for companies which manufacture products that include components containing such minerals, regardless of whether the minerals are mined in the DRC or adjoining countries. Since we manufacture such products for our customers, we will be required to comply with the new SEC rules, with our first required report due in May 2014. Such regulations could decrease the availability and increase the prices of components used in our customers' products, particularly if we choose (or are required by our customers) to source such components from different suppliers than we use now. In addition, as our supply chain is complex and the method of complying with the new SEC rules is unclear, we expect that the compliance process will be both time-consuming and costly. We may face reputational challenges with our customers and other stakeholders if we are unable to sufficiently verify the origins of minerals contained in the components included in our customers' products through the due diligence procedures that we implement.

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 consolidated financial statements in conformity with accounting principles generally accepted in the United States, or U.S. GAAP. 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 as of 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.

In addition, these principles are subject to interpretation by the Financial Accounting Standards Board (FASB), the SEC and various bodies formed to interpret and create 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, restructuring, acquisition accounting, asset disposals and asset retirement obligations, leases, 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, the anticipated convergence of U.S. GAAP and international financial accounting standards creates uncertainty as to the financial accounting policies and practices we will need to adopt in the future.

Finally, corporate governance, public disclosure and compliance practices continue to evolve based upon continuing legislative action, SEC rulemaking and stockholder advisory group policies. As a result, the number of rules and regulations applicable to us may increase, which would also increase our legal and financial compliance costs and the amount of time management must devote to compliance activities. For example, the SEC has adopted rules requiring disclosure of the extent to which we use certain minerals in the production of our products and California has enacted regulations requiring disclosure of our business practices intended to reduce the risk of human trafficking and slavery in our supply chain. Increasing regulatory

[Table of Contents](#)

burdens could also 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 light of an increase in actual or perceived workload and liability for serving in such positions.

Outages, computer viruses, break-ins, malware and similar events could disrupt our operations.

We rely on information technology networks and systems, some of which are owned and operated by third parties, to process, transmit and store electronic information. In particular, we depend on our information technology infrastructure for a variety of functions, including worldwide financial reporting, inventory management, procurement, invoicing and email communications. Any of these systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, terrorist attacks and similar events. Despite the implementation of network security measures, our systems and those of third parties on which we rely may also be vulnerable to computer viruses, break-ins, malware and similar disruptions. Malware, if surreptitiously installed on our systems and not timely detected and removed, could collect and disclose sensitive information relating to our customers, employees or others, exposing us to legal liability and causing us to suffer reputational damage. If we or our vendors are unable to prevent such outages and breaches, our operations could be disrupted.

The market price of our common stock is volatile.

The stock market in recent years has experienced significant price and volume fluctuations that have affected the market prices of companies, including companies in the EMS business. These fluctuations have often been unrelated to the operating performance of these companies. The market for our common stock has been and may in the future be subject to similar volatility. Factors such as fluctuations in our operating results, announcements by our competitors or other events affecting companies in the electronics industry, currency fluctuations, general market fluctuations and macro economic conditions may cause the market price of our common stock to decline.

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

We conduct a significant portion of our activities including manufacturing, administration and information technology management in areas that have experienced natural disasters, such as major earthquakes, hurricanes, floods and tsunamis. For example, in March 2011, Japan experienced a major earthquake and tsunami and in October 2011, flooding occurred in large parts of Thailand. Our insurance coverage with respect to damages to our facilities or our customers' products caused by natural disasters is limited and is subject to deductibles and coverage limits and, as a result, may not be sufficient to cover all of our losses. For example, our policies do not cover damage due to earthquake. In addition, coverage may not 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, our operations and management information systems, which control our worldwide procurement, inventory management, shipping and billing activities, could be significantly disrupted. Such events could delay or prevent product manufacturing and shipment for the time required to transfer production or repair, rebuild or replace the affected manufacturing facilities. While we have disaster recovery plans in place, there can be no assurance that such plans will be sufficient to allow our operations to continue in the event of every natural or man-made disaster, pandemic or other extraordinary event. Any extended inability to continue our operations at unaffected facilities following such an event would reduce our revenue and potentially damage our reputation as a reliable supplier.

Our profitability could be adversely impacted by climate change initiatives.

Concern over climate change has led to state, federal and international legislative and regulatory initiatives aimed at reducing carbon dioxide and other greenhouse gas emissions. While we don't expect existing or currently proposed initiatives to directly impact our business operations in the near future, these measures could over the long term lead to an increase in the cost of energy used in the manufacture of our products as a result of restrictions placed upon power generators and distributors. We can't currently estimate the impact of any such indirect costs. However, should our operating costs in fact rise as a result of any current, proposed or future greenhouse gas initiatives, and we are not able to pass such costs to our customers, our profitability would be reduced.

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 integrated manufacturing solutions 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.

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. 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, 2012, the approximate square footage of our manufacturing facilities by country was as follows:

	Approximate Square Footage
Argentina	1,335
Australia	7,105
Brazil	265,933
Canada	183,698
China	2,813,996
Columbia	1,390
Czech Republic	70,870
Finland	223,060
Germany	363,778
Hong Kong	31,457
Hungary	592,388
India	240,700
Indonesia	99,210
Ireland	110,000
Israel	295,893
Malaysia	516,556
Mexico	2,021,984
Singapore	463,019
South Africa	3,670
Sweden	77,425
Thailand	326,293
United Kingdom	38,203
United States	2,918,982
Total	<u>11,666,945</u>

As of September 29, 2012, our active manufacturing facilities consist of 8,309,194 square feet in facilities that we own, with the remaining 3,357,751 square feet in leased facilities under lease terms expiring between 2013 and 2042.

In addition to the above, we have 176,067 square feet of logistics and other non-manufacturing space that we are currently using and 1,593,808 square feet of space in inactive facilities, of which 580,893 square feet is in domestic locations and 1,012,915 square feet is in international locations. Additionally, 205,370 square feet of space in our inactive facilities is leased to third parties. 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.

We regularly evaluate our expected future facilities requirements. Although we believe our existing facilities are

[Table of Contents](#)

adequate to meet our current requirements, we anticipate expanding two of our international facilities within the next 12 months in order to support projected business volumes in these locations.

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, aviation, defense, aerospace and automotive, require adherence to industry-specific standards. Substantially all of our manufacturing facilities are registered under ISO 9001:2008, a standard published by the International Organization for Standardization. As part of the ISO 9001:2008 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 9001:2008 registration is of particular importance to our customers throughout the world.

In addition to ISO 9001:2008, most 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 compliant with the standards set by Underwriters Laboratories (UL). 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 systems division has identified certain manufacturing facilities to be centers of excellence for medical products manufacturing. These facilities are FDA and ISO 13485:2003 certified and, where appropriate, FDA registered. All facilities are fully compliant to the FDA's quality systems regulations.

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

Our automotive facilities are strategically located worldwide. Substantially all of our automotive facilities are certified to ISO/TS 16949:2009, the automotive industry standard.

Item 3. Legal Proceedings

Non-US Proceedings

In November 2006 and December 2007, a non-US governmental entity made certain claims for penalties against us asserting that we did not comply with bookkeeping rules in accordance with applicable tax regulations. We have provided documents that we believe demonstrate our compliance with these tax regulations. We have appealed the penalties in administrative court, and have not paid the penalties pending review by the court. The administrative court has not indicated when it will issue a decision. We believe we have a meritorious position in this matter and are contesting these claims vigorously, although there can be no assurance that these claims will not have a material adverse effect on our results of operations in the future.

See also Note 8 of Notes to Consolidated Financial Statements.

Other Proceedings

We are subject to various federal, state, local and foreign laws and regulations concerning environmental protection, including those addressing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites, the materials used in products, and the recycling, treatment and disposal of materials. We have been named in a lawsuit alleging operations at our current and former sites in Orange County, California contributed to groundwater contamination and our Canadian subsidiary is party to an order of the Ontario, Canada Ministry of Environment with respect to our former Brockville site requiring us to perform investigative and remediation activities. There can be no assurance that these or any other similar third party or governmental claims will not result in material liability to us in the future.

From time to time, we may be involved in other routine legal proceedings, as well as demands, claims and threatened litigation, that arise in the normal course of our business. The ultimate outcome of any litigation is uncertain and unfavorable

[Table of Contents](#)

outcomes could have a negative impact on our results of operations and financial condition. Regardless of outcome, litigation can have an adverse impact on us as a result of incurring of defense costs, diversion of management resources and other factors. We record liabilities for legal proceedings when a loss becomes probable and the amount of loss can be reasonably estimated.

Item 4. Mine Safety Disclosures.

Not applicable.

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 Global Select Market under the symbol SANM. The following table lists the high and low intra-day prices for our common stock as reported on NASDAQ.

	2012	High	Low
First quarter	\$	9.64	\$ 6.01
Second quarter	\$	12.55	\$ 9.28
Third quarter	\$	11.70	\$ 6.62
Fourth quarter	\$	9.59	\$ 7.02

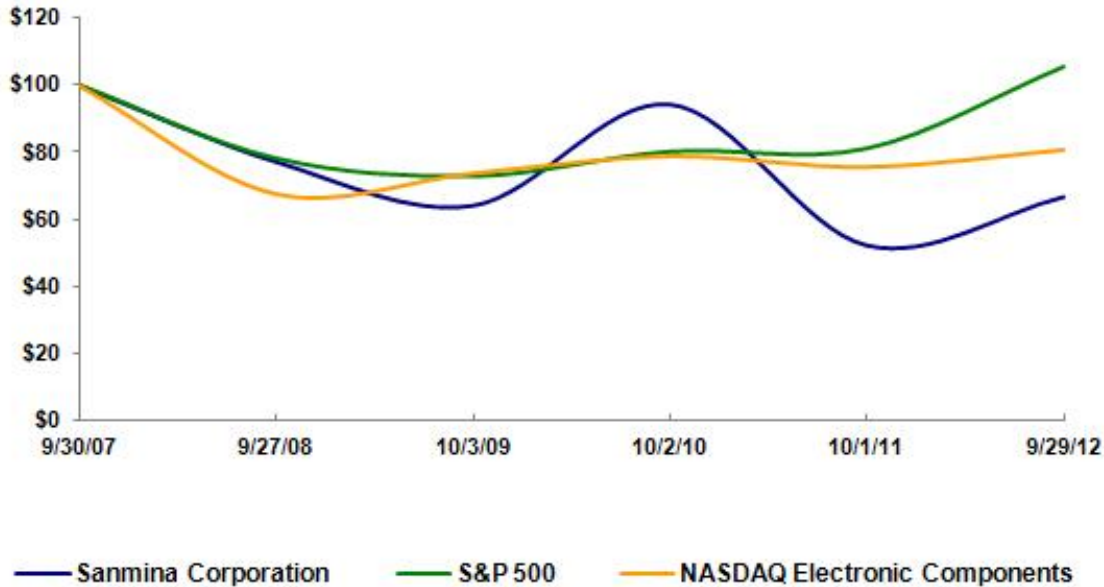
	2011	High	Low
First quarter	\$	13.42	\$ 10.41
Second quarter	\$	17.32	\$ 9.95
Third quarter	\$	12.50	\$ 9.19
Fourth quarter	\$	11.79	\$ 6.53

As of November 9, 2012, we had approximately 1,601 holders of record of our common stock. On November 9, 2012, the last reported sales price of our common stock on the Nasdaq Global Select Market was \$8.94 per share.

The following graph compares the cumulative 5-year total return provided shareholders on our common stock relative to the cumulative total returns of the S&P 500 index and the NASDAQ Electronic Components index. An investment of \$100 (with reinvestment of all dividends) is assumed to have been made in our common stock and in each of the indexes on September 30, 2007 and its relative performance is tracked through September 29, 2012.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Sanmina Corporation, the S&P 500 Index,
and the NASDAQ Electronic Components Index



*\$100 invested on 9/30/07 in stock or index, including reinvestment of dividends.
Indexes calculated on month-end basis.

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	9/30/2007	9/27/2008	10/3/2009	10/2/2010	10/1/2011	9/29/2012
Sanmina Corporation	100.00	77.36	64.31	94.42	52.52	66.90
S&P 500	100.00	78.02	72.63	80.01	80.93	105.37
NASDAQ Electronic Components	100.00	67.79	73.93	79.00	75.80	80.88

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

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. Additionally, our ability to pay dividends is limited pursuant to covenants contained in our various debt agreements. 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:

	Year Ended				
	September 29, 2012	October 1, 2011	October 2, 2010	October 3, 2009	September 27, 2008
(In thousands, except per share data)					
Net sales	\$ 6,093,334	\$ 6,602,411	\$ 6,318,691	\$ 5,177,481	\$ 7,202,403
Operating income (loss)	\$ 137,490	\$ 211,997	\$ 204,799	\$ (4,656)	\$ (384,160)
Income (loss) from continuing operations before income taxes	\$ 49,943	\$ 99,538	\$ 139,242	\$ (112,570)	\$ (490,331)
Provision for (benefit from) income taxes	(130,291)	30,621	16,807	25,252	22,605
Income (loss) from continuing operations	\$ 180,234	\$ 68,917	\$ 122,435	\$ (137,822)	\$ (512,936)
Income from discontinued operations, net of tax	—	—	—	—	24,987
Net income (loss)	\$ 180,234	\$ 68,917	\$ 122,435	\$ (137,822)	\$ (487,949)
Basic earnings (loss) per share:					
Continuing operations	\$ 2.22	\$ 0.86	\$ 1.55	\$ (1.67)	\$ (5.80)
Discontinued operations	\$ —	\$ —	\$ —	\$ —	\$ 0.28
Net income (loss)	\$ 2.22	\$ 0.86	\$ 1.55	\$ (1.67)	\$ (5.52)
Diluted earnings (loss) per share					
Continuing operations	\$ 2.16	\$ 0.83	\$ 1.48	\$ (1.67)	\$ (5.80)
Discontinued operations	\$ —	\$ —	\$ —	\$ —	\$ 0.28
Net income (loss)	\$ 2.16	\$ 0.83	\$ 1.48	\$ (1.67)	\$ (5.52)
Shares used in computing per share amounts					
Basic	81,284	80,345	79,195	82,528	88,454
Diluted	83,495	83,158	82,477	82,528	88,454

Consolidated Balance Sheet Data:

	Year Ended				
	September 29, 2012	October 1, 2011	October 2, 2010	October 3, 2009	September 27, 2008
(In thousands)					
Cash and cash equivalents	\$ 409,618	\$ 640,288	\$ 592,812	\$ 899,151	\$ 869,801
Net working capital	\$ 1,106,752	\$ 1,363,361	\$ 1,338,666	\$ 1,280,136	\$ 1,574,339
Total assets	\$ 3,167,786	\$ 3,353,973	\$ 3,301,796	\$ 3,123,897	\$ 3,530,727
Long-term debt (excluding current portion)	\$ 837,364	\$ 1,182,308	\$ 1,240,666	\$ 1,262,014	\$ 1,481,985
Stockholders' equity	\$ 963,781	\$ 770,517	\$ 661,601	\$ 519,070	\$ 673,488

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 the expected amounts of future restructuring charges, future expansion plans, plans to sell or expand certain of our facilities, trends in future sales or results of operations, gross margin or operating margin, expenses, earnings or losses from operations, cash flow, inventory turns, 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," "continue," "could," "estimate," "expect," "future," "intend," "may," "plan," "potential," "predict," "should," "will," 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 "Item 1A. Risk Factors" 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 integrated manufacturing solutions, components, products and repair, logistics and after-market services. Our revenue is generated from sales of our services primarily to original equipment manufacturers (OEMs) in the communications networks; computing and storage; multimedia; industrial and semiconductor capital equipment; defense and aerospace; medical; clean technology and automotive industries.

Prior to the fourth quarter of 2012, our operations were managed as a single business - Electronic Manufacturing Services. Effective in the fourth quarter of 2012, we decided to change the way we managed the business in order to place more emphasis on components, products and services requiring advanced technologies and / or addressing mission-critical applications. As a result, our operations are managed as two businesses:

- 1) Integrated Manufacturing Solutions (IMS), which is a reportable segment consisting of printed circuit board assembly and test, optical and RF (Radio Frequency) modules, final system assembly and test, and direct order fulfillment.
- 2) Components, Products and Services (CPS), consisting of Components, which includes interconnect systems (printed circuit board fabrication and backplane and cable assemblies) and mechanical systems (enclosures, precision machining and plastic injection molding); Products, which includes memory and SSD products from Viking Technology; products from SCI Technology for use in the defense and aerospace industry and storage products from Newisys; and Services, which includes design, engineering, logistics and repair services.

In accordance with the accounting rules for segment reporting, our only reportable segment is IMS, which represented 81% of our total revenue in 2012. Our CPS business consists of multiple operating segments which do not meet the quantitative thresholds for being presented as reportable segments. Therefore, financial information for these operating segments will be presented in a single category entitled "Components, Products and Services".

All references in this section to years refer to our fiscal years ending on the last Saturday of each year closest to September 30th. Fiscal 2012, 2011 and 2010 are each 52 weeks.

Our strategy is to leverage our comprehensive service offering, advanced technologies, and global capabilities to further penetrate diverse end markets that we believe offer significant growth opportunities and have complex products that require higher value-added services. We believe this strategy differentiates us from our competitors and will drive more sustainable revenue growth and provide opportunities for us to ultimately achieve operating margins that exceed industry standards.

There are many challenges to successfully executing our strategy. For example, we compete with a number of companies in each of our key end markets. These include companies that are much larger than we are and smaller companies that focus on a particular niche. Although we believe we are well-positioned in each of our key end markets and are continuing to differentiate ourselves from our competitors, competition remains intense. Additionally, growing and leveraging our

[Table of Contents](#)

components to drive vertical integration and improve our operating margins continues to be challenging. Revenue from our components decreased in 2012, which creates pressure on our operating margins since these products typically have a higher contribution margin than that generated by our IMS business. We continue to address these challenges on both a short-term and long-term basis. For example, we recently announced the closure of a foreign components plant and made changes to the components operations management team.

In late 2008, the business environment became challenging due to adverse global economic conditions. These conditions slowed global economic growth and resulted in recessions in many locations, including the U.S., Europe and certain countries in Asia. These conditions materially and adversely impacted our financial condition and results of operations for 2009. Global economic conditions improved throughout 2010, contributing to a substantial increase in our business volume. As a result of this increase in business volume and the realization of benefits from our previous restructuring actions, our net sales and gross profit increased significantly during 2010 and we had our first profitable year since 2001. We were also profitable in 2011 and 2012. The economic environment, however, became more challenging in 2012 due to high levels of unemployment, concerns about debt levels and possible recessions in certain countries, and other factors. These conditions have resulted in reduced demand for many of our customers' products, causing these customers to reduce or reschedule their orders with us. We have experienced fluctuations in our results of operations in the past and may continue to experience such fluctuations in the future.

During 2012, we reduced our net long-term debt obligations by \$360.0 million, which is expected to result in significant interest expense savings in future periods primarily due to our redemption of \$400.0 million of notes due in 2016 which carried a fixed interest rate of 8.125%.

A relatively small number of customers have historically generated a significant portion of our net sales. Sales to our ten largest customers represented approximately 50% of our net sales for 2012, 2011 and 2010. For 2012, 2011 and 2010, one customer represented more than 10% of our net sales in each period.

We typically generate a significant portion of our net sales from international operations. Net sales generated from non-U.S. operations were approximately 80% of our total net sales for 2012, 2011 and 2010. The concentration of international operations has resulted primarily from 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 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 specific 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.

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 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, income taxes, warranty obligations, environmental matters, restructuring, and 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:

Accounts Receivable and Other Related Allowances— We estimate uncollectible accounts, 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 the industries we serve. If actual uncollectible accounts, product returns or other adjustments differ significantly from our estimates, the amount of sales 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) a significant portion of sales to financially sound companies, (ii) ongoing credit evaluation of our customers, (iii) frequent contact with our customers, especially our most significant customers, which enables us to monitor changes in their business operations and to respond accordingly and (iv) obtaining, in certain cases, a guaranty from the customer's parent entity. To establish our allowance for doubtful accounts, we evaluate credit risk related to specific customers based on their financial condition and 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 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. To establish the allowance for product returns and other adjustments, we primarily utilize historical data.

Inventories— We state inventories at the lower of cost (first-in, first-out method) or market value. Cost includes raw materials, labor and manufacturing overhead. We regularly evaluate the carrying value of our inventories and make provisions to reduce excess and obsolete inventories to their estimated net realizable values. The ultimate realization of inventory carrying amounts is affected by changes in customer demand for inventory that customers are not contractually obligated to purchase and inventory held for specific customers who are experiencing financial difficulties. Inventory write-downs are recorded based on forecasted demand, past experience with specific customers, the ability to redistribute inventory to other programs or back to our suppliers, and whether customers are contractually obligated and have the ability to pay for the related inventory. Certain payments received from customers for 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 (for example, cancellations) with respect to these orders. Customer modifications of orders affecting inventory previously procured by us and our purchases of inventory beyond customer needs may result in excess and obsolete inventory. Although we may be able to use some excess inventory 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;
- inventory held for specific customers who are experiencing financial difficulties; 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, use to fulfill orders from other customers 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.

Property, Plant and Equipment—We review property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An asset or asset

[Table of Contents](#)

group is considered impaired if its carrying amount exceeds the undiscounted future net cash flows the asset or asset group is expected to generate. If an asset or asset group is considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset or asset group exceeds its fair value. An asset group is the unit of accounting for a long-lived asset or assets to be held and used, which represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets. For vertically integrated plants, each individual plant, together with the other plants with which it is vertically integrated, is an asset group. For all other plants, each individual plant is an asset group. For asset groups for which a building is the primary asset, we estimate fair value primarily based on data provided by commercial real estate brokers. For other assets, we estimate fair value based on projected discounted future net cash flows. Management applies significant judgment in estimating future cash flows.

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 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 adequate, tax regulations are subject to interpretation and the tax controversy process is inherently lengthy and uncertain; therefore, our assessments can involve a series of complex judgments about future events and rely heavily on estimates and assumptions. To the extent the probable tax outcome of these matters changes, such changes in estimates will impact our 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. We evaluate positive and negative evidence each reporting period when assessing the need for a valuation allowance. A valuation allowance is established for deferred tax assets when we believe realization of such assets is not more likely than not. Our judgments regarding future taxable income may change due to changes in market conditions, new or modified 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. As a result of our analysis of the positive and negative evidence available at the end of 2012, we released \$158.7 million of our valuation allowance against our U.S. deferred tax assets. We will continue to evaluate all evidence in future periods to determine if further release of the valuation allowance is warranted.

Our effective tax rate is highly dependent upon the amount and geographic distribution of our worldwide income or losses, the tax regulations and tax holidays in each geographic region, the utilization of net operating losses, the availability of tax credits and carryforwards, and the effectiveness of our tax planning strategies.

We only recognize or continue to recognize tax positions that meet a “more likely than not” threshold of being upheld. Interest and penalties related to unrecognized tax benefits are recognized as a component of income tax expense.

Results of Operations

Years Ended September 29, 2012, October 1, 2011 and October 2, 2010.

The following table presents our key operating results.

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
	(In thousands)		
Net sales	\$ 6,093,334	\$ 6,602,411	\$ 6,318,691
Gross profit	\$ 435,782	\$ 510,351	\$ 482,990
Operating income	\$ 137,490	\$ 211,997	\$ 204,799
Net income	\$ 180,234	\$ 68,917	\$ 122,435

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

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
Net sales	100.0	100.0	100.0
Cost of sales	92.8	92.3	92.4
Gross margin	7.2	7.7	7.6
Operating expenses:			
Selling, general and administrative	4.0	3.7	4.0
Research and development	0.4	0.3	0.2
Other	0.5	0.5	0.2
Total operating expenses	4.9	4.5	4.4

Net Sales

Net sales decreased from \$6.6 billion for 2011 to \$6.1 billion for 2012, a decrease of 7.7%. Net sales increased from \$6.3 billion for 2010 to \$6.6 billion for 2011, an increase of 4.5%. Sales by end market were as follows:

	Year Ended			2012 vs. 2011		2011 vs. 2010	
	September 29, 2012	October 1, 2011	October 2, 2010	Increase/(Decrease)		Increase/(Decrease)	
	(Dollars in thousands)						
Communications	\$ 2,858,827	\$ 3,134,550	\$ 2,483,935	\$ (275,723)	(8.8)%	\$ 650,615	26.2 %
Industrial, Defense and Medical	1,547,127	1,609,370	1,614,233	(62,243)	(3.9)%	(4,863)	(0.3)%
Enterprise Computing and Storage	966,851	913,062	1,072,376	53,789	5.9 %	(159,314)	(14.9)%
Multimedia	720,529	945,429	1,148,147	(224,900)	(23.8)%	(202,718)	(17.7)%
Total	\$ 6,093,334	\$ 6,602,411	\$ 6,318,691	\$ (509,077)	(7.7)%	\$ 283,720	4.5 %

Sales to customers in our communications end market decreased from 2011 to 2012 primarily as a result of reduced demand from existing customers, particularly for wireless communications products. Sales in the multimedia market decreased from 2011 to 2012 primarily as a result of reduced demand for set-top boxes. Sales in our industrial, defense and medical end market decreased from 2011 to 2012 primarily due to weaker demand for semiconductor capital equipment. The increase from 2011 to 2012 in our enterprise computing and storage end market was primarily attributable to increased demand from existing customers, both for established programs and new program wins for new technologies introduced by our customers.

[Table of Contents](#)

The increase from 2010 to 2011 in our communications end market is primarily attributable to increased demand from existing customers , both for established programs and new program wins for new technologies introduced by our customers . Despite a significant decrease in demand from defense customers resulting primarily from reduced U.S. defense budget spending, sales in our industrial defense and medical end market were relatively flat from 2010 to 2011 due to stronger demand from industrial and medical customers. Sales to customers in our enterprise computing and storage end market decreased from 2010 to 2011 as a result of certain customer programs going end-of-life , the effect of which was not completely offset by new programs . Sales to customers in our multimedia market decreased from 2010 to 2011 primarily as a result of reduced demand from one program.

Gross Margin

Gross margin was 7.2%, 7.7% and 7.6% in 2012, 2011 and 2010, respectively. The decrease from 2011 to 2012 was primarily attributable to decreased sales, especially for our components which typically have higher contribution margins than our integrated manufacturing solutions. The increase from 2010 to 2011 was primarily a result of the profit contribution from increased business volume and improved operational performance in our components operations. We have experienced fluctuations in gross margin in the past and may continue to do so in the future. Fluctuations in our gross margins may be caused by a number of factors, including:

- Changes in customer demand and sales volumes for our vertically integrated system components and subassemblies;
- Changes in the overall volume of our business;
- Changes in the mix of high and low margin products demanded by our customers;
- Parts shortages and operational disruption caused by natural disasters;
- Greater competition in the EMS industry and pricing pressures from OEMs due to greater focus on cost reduction;
- Provisions for excess and obsolete inventory;
- Level of operational efficiency;
- Pricing pressure in the electronics industry resulting from economic conditions , with EMS companies competing more aggressively on cost to obtain new or maintain existing business;
- Wage inflation and rising materials costs; and
- Our ability to transition manufacturing and assembly operations to lower cost regions in an efficient manner.

Selling, General and Administrative

Selling, general and administrative expenses were \$240.9 million, \$247.1 million and \$252.5 million in 2012, 2011 and 2010, respectively. As a percentage of net sales, selling, general and administrative expenses were 4.0% for 2012, 3.7% for 2011 and 4.0% for 2010. The decrease in absolute dollars from 2011 to 2012 was primarily attributable to lower personnel-related costs.

The decrease in absolute dollars from 2010 to 2011 was primarily attributable to reduced incentive compensation and bad debt expense , offset partially by higher personnel costs resulting from increased headcount .

Research and Development

Research and development expenses were \$21.9 million, \$20.8 million and \$13.0 million in 2012, 2011 and 2010, respectively. As a percentage of net sales, research and development expenses were 0.4% for 2012, 0.3% for 2011 and 0.2% for 2010. The increase from 2011 to 2012 was primarily attributable to new projects in our enterprise computing and storage end market. The increase in absolute dollars from 2010 to 2011 was primarily attributable to investments in new projects in multiple business units.

Restructuring

Restructuring Plans - 2012

In 2012, we initiated restructuring plans related to plant closures and business reorganizations. Costs associated with

[Table of Contents](#)

these plans are expected to be \$23.4 million and to include employee severance, costs related to leased facilities, asset impairment charges and other exit costs. In connection with actions taken to date under these plans, we recorded employee termination benefits of \$11.6 million for approximately 2,150 employees, \$0.5 million of costs related to leased facilities and \$3.5 million of asset impairment charges. These plans are expected to be completed within the next year. As of September 29, 2012, \$10.3 million of severance remains payable and is expected to be paid in 2013.

Below is a summary of restructuring costs associated with facility closures and other consolidation efforts that were implemented in 2012:

	Employee Termination / Severance and Related Benefits	Leases and Facility Shutdown and Consolidation Costs	Total
	(In thousands)		
Balance at October 1, 2011	\$ —	\$ —	\$ —
Charges to operations	11,618	4,027	15,645
Charges utilized	(1,317)	(4,027)	(5,344)
Balance at September 29, 2012	<u>\$ 10,301</u>	<u>\$ —</u>	<u>\$ 10,301</u>

Restructuring Plans - prior to 2012

Due to completion of all actions under restructuring plans initiated prior to 2012 and immateriality of the remaining accrual balance related to such plans, these plans have been combined for disclosure purposes. We expect to pay the majority of accrued restructuring costs by the end of 2013. In connection with these plans, we expect to incur restructuring costs in future periods associated primarily with vacant facilities until such time as those facilities have been sold or leased to third parties.

Below is a summary of restructuring costs associated with facility closures and other consolidation efforts that were implemented prior to 2012:

	Employee Termination / Severance and Related Benefits	Leases and Facility Shutdown and Consolidation Costs	Total
	(In thousands)		
Balance at October 3, 2009	\$ 10,755	\$ 3,645	\$ 14,400
Charges to operations	7,873	16,320	24,193
Charges utilized	(11,104)	(18,586)	(29,690)
Reversal of accrual	(2,094)	(277)	(2,371)
Balance at October 2, 2010	5,430	1,102	6,532
Charges to operations	9,041	19,683	28,724
Charges utilized	(8,144)	(19,369)	(27,513)
Balance at October 1, 2011	6,327	1,416	7,743
Charges to operations	827	14,465	15,292
Charges utilized	(5,776)	(12,568)	(18,344)
Balance at September 29, 2012	<u>\$ 1,378</u>	<u>\$ 3,313</u>	<u>\$ 4,691</u>

Costs incurred with respect to facilities consist primarily of 1) costs to maintain vacant facilities that are owned until such facilities can be sold and 2) the portion of our lease payments that have not been recovered due to the absence of sublease income for vacant leased properties.

During 2012, in connection with restructuring plans initiated in 2011 or earlier, we recorded restructuring charges for severance and related benefits for 2 terminated employees. In 2011, we recorded restructuring charges for severance and related benefits for approximately 230 terminated employees and initiated the closure or consolidation of 2 facilities. In 2010, we recorded restructuring charges for severance and related benefits for approximately 950 terminated employees and initiated the closure or consolidation of 6 facilities.

[Table of Contents](#)

The recognition of restructuring charges requires us to make judgments and estimates regarding the nature, timing and amount of costs associated with planned exit activities, including estimates of sublease income. Our estimates of future liabilities may change, requiring us to record additional restructuring charges or reduce the amount of liabilities already recorded.

Amortization of Intangible Assets

During 2012, 2011 and 2010, we recorded amortization of intangible assets of \$3.1 million, \$3.8 million and \$3.6 million, respectively. Intangible assets consist primarily of intellectual property and customer relationships obtained through acquisitions. The decrease in amortization expense of \$0.7 million from 2011 to 2012 was due to certain intangible assets from previous acquisitions becoming fully amortized.

Asset Impairments

During 2012, 2011 and 2010, we recorded asset impairment charges of \$2.4 million, \$0.5 million and 1.1 million, respectively, related to a decline in the fair value of certain properties below the carrying amount of such properties.

Gain on Sales of Long-lived Assets

During 2012, 2011 and 2010, we recognized \$1.3 million, \$3.5 million and \$13.8 million, respectively, of gains from sales of long-lived assets, consisting primarily of buildings.

Interest Income and Expense

Interest income was \$1.4 million, \$1.9 million and \$2.2 million in 2012, 2011 and 2010, respectively. The decrease from 2011 to 2012 was due to lower interest rates and average cash and cash equivalents balances in 2012. The decrease from 2010 to 2011 was due primarily to lower average cash and cash equivalents balances in 2011.

Interest expense was \$71.7 million, \$99.1 million and \$108.1 million in 2012, 2011 and 2010, respectively. The decrease from 2011 to 2012 was primarily due to the redemption of \$400 million of long-term debt in 2012. The decrease from 2010 to 2011 was due to repurchases of \$580 million of fixed rate long-term debt in 2011, partially offset by the issuance of \$500 million of variable-rate long-term debt in 2011.

Other Income (Expense), net

Other income (expense), net was \$(0.3) million, \$0.9 million and \$41.5 million in 2012, 2011 and 2010, respectively. The following table summarizes the major components of other income (expense), net (in thousands):

	Year ended		
	September 29, 2012	October 1, 2011	October 2, 2010
Foreign exchange gains (losses)	\$ (4,144)	\$ 435	\$ (2,490)
Gain from investments	—	—	3,680
Litigation settlement	—	—	35,556
Other, net	3,853	457	4,792
Total	\$ (291)	\$ 892	\$ 41,538

We reduce our exposure to currency fluctuations through the use of foreign currency hedging instruments; however, hedges are established based on forecasts of foreign currency transactions. To the extent actual amounts differ from forecasted amounts, we will have exposure to currency fluctuations, resulting in foreign exchange gains or losses.

Gain (Loss) on Extinguishments of Debt

During 2012, we fully redeemed \$400 million of long-term debt due in 2016 and recognized a loss on extinguishment of \$16.9 million, consisting of redemption premiums of \$10.9 million and a write-off of unamortized debt costs of \$6.0 million.

[Table of Contents](#)

During 2011, we repurchased or fully redeemed \$580 million of our debt prior to maturity and recognized a loss on extinguishment of \$16.1 million, consisting of redemption premiums of \$9.4 million, third party costs of \$1.3 million and a write-off of unamortized debt costs of \$5.4 million.

During 2010, we repurchased or fully redeemed \$195.7 million of debt prior to maturity and recognized a loss of \$1.2 million, consisting primarily of unamortized debt issuance costs.

Provision for (benefit from) Income Taxes

We recorded an income tax benefit of \$130.3 million in 2012 and an income tax provision of \$30.6 million and \$16.8 million in 2011 and 2010, respectively. Our effective tax rates were (260.9)%, 30.8% and 12.1% for 2012, 2011 and 2010, respectively. A significant component of the tax benefit for 2012 was a \$158.7 million partial release of our deferred tax asset valuation allowance, as discussed further below.

Despite a 29% decrease in pre-tax income in 2011, income tax expense increased \$13.8 million from 2010 due primarily to the favorable resolution of uncertain foreign tax positions in 2010 and the recognition of potential tax exposures in foreign jurisdictions in 2011.

Prior to 2012, based on historical evidence (primarily cumulative losses), we recorded a valuation allowance against our deferred tax assets in the U.S. and certain foreign jurisdictions. A valuation allowance is required to be established or maintained when, based on currently available information and other factors, it is more likely than not that all or a portion of the deferred tax assets will not be realized. We assess our valuation allowance against deferred tax assets on a regular basis. We consider all available positive and negative evidence, including future reversals of temporary differences, projected future taxable income, tax planning strategies and recent financial results. During the fourth quarter of 2012, we concluded that it was more likely than not that we would be able to realize the benefit of a portion of our deferred tax assets in the future. We based this conclusion on recent historical book and taxable income, recent global restructuring and projections of future operating income. As a result, we released \$158.7 million of the valuation allowance attributable to certain U.S. deferred tax assets. We will continue to evaluate all evidence in future periods to determine if a further release of the valuation allowance is warranted.

Liquidity and Capital Resources

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
	(In thousands)		
Net cash provided by (used in):			
Operating activities	\$ 215,413	\$ 234,908	\$ (78,334)
Investing activities	(78,027)	(98,105)	(64,295)
Financing activities	(366,813)	(88,954)	(162,613)
Effect of exchange rate changes	(1,243)	(373)	(1,097)
Increase (decrease) in cash and cash equivalents	\$ (230,670)	\$ 47,476	\$ (306,339)

Key working capital management measures

	As of	
	September 29, 2012	October 1, 2011
Days sales outstanding (1)	58	55
Inventory turns (2)	7.1	7.0
Accounts payable days (3)	57	57
Cash cycle days (4)	52	50

(1) Days sales outstanding (a measure of how quickly we collect our accounts receivable), or "DSO", is calculated as the ratio of average 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 average inventory.

[Table of Contents](#)

- (3) Accounts payable days (a measure of how quickly we pay our suppliers), or "DPO", is calculated as the ratio of 365 days to accounts payable turns, in which accounts payable turns is calculated as the ratio of four times our cost of sales for the quarter to average accounts payable.
- (4) Cash cycle days is calculated as the ratio of 365 days to inventory turns, plus days sales outstanding minus accounts payable days.

Cash and cash equivalents were \$409.6 million at September 29, 2012 and \$640.3 million at October 1, 2011. Our cash levels vary during any given period depending on the timing of collections from customers and payments to suppliers, the extent and timing of borrowing activities and other factors. Working capital was \$1.1 billion at September 29, 2012 and \$1.4 billion at October 1, 2011.

Net cash provided by (used in) operating activities was \$215.4 million, \$234.9 million and \$(78.3) million for 2012, 2011 and 2010, respectively. Cash flows from operating activities consists of: 1) net income (loss) adjusted to exclude non-cash items such as depreciation and amortization, stock-based compensation expense, etc., and 2) changes in net operating assets, which are comprised of accounts receivable, inventories, prepaid expenses and other assets, accounts payable, accrued liabilities and other long-term liabilities.

During 2012, we generated \$163.3 million of cash from net income, excluding non-cash items, and \$52.1 million of cash from the reduction of our net operating assets, resulting primarily from a decrease in inventories and accounts receivable of \$63.4 million and \$12.9 million, respectively, partially offset by a decrease in accounts payable of \$48.4 million. These decreases were caused primarily by decreased business volume in 2012. AP days (a measure of how quickly we pay our suppliers) were 57 days for both periods and inventory turns were 7.1 and 7.0 for 2012 and 2011, respectively. Our DSO (a measure of how quickly we collect our accounts receivable) increased from 55 days at October 1, 2011 to 58 days at September 29, 2012. The increase resulted primarily from a change in the composition of accounts receivable from customers with shorter payment terms to customers with longer payment terms, partially offset by a favorable shift in the linearity of shipments.

In 2011, we generated \$201.9 million of cash from net income, excluding non-cash items, and \$33.0 million of cash from the reduction of our net operating assets, resulting primarily from an increase in accounts payable of \$71.2 million, partially offset by an increase in inventories of \$46.8 million. Accounts payable increased primarily as a result of increased materials purchases and a change in the composition of accounts payable from suppliers with which we have shorter payment terms to suppliers with which we have longer payment terms. As a result of these factors, our DPO increased from 55 days at October 2, 2010 to 57 days at October 1, 2011. Inventories increased as a result of purchases to support customer forecast requirements that were re-scheduled after the materials had been received. This resulted in inventory turns decreasing from 7.3 turns at October 2, 2010 to 7.0 turns at October 1, 2011. Our DSO increased from 52 days at October 2, 2010 to 55 days at October 1, 2011. The increase resulted primarily from a change in the composition of accounts receivable from customers with shorter payment terms to customers with longer payment terms, partially offset by better collection performance.

Net cash used in investing activities was \$78.0 million, \$98.1 million and \$64.3 million for 2012, 2011 and 2010, respectively. In 2012, we used \$78.6 million of cash for capital expenditures, received proceeds of \$4.8 million from asset sales, primarily a property that was held-for-sale, and made payments of \$5.0 million in connection with business combinations. In 2011, we used \$107.6 million of cash for capital expenditures, received proceeds of \$24.1 million from asset sales, primarily five properties that were held-for-sale, and made payments of \$14.7 million in connection with previous business combinations.

Net cash used in financing activities was \$366.8 million, \$89.0 million and \$162.6 million for 2012, 2011 and 2010, respectively. In 2012, we fully redeemed \$400 million of our 2016 Notes for \$410.8 million and received net proceeds of \$39.5 million in connection with the issuance of \$40 million of secured debt. In 2011, we received net proceeds of \$489.0 million in connection with the issuance of \$500 million of long-term debt. Additionally, we paid \$590.6 million in connection with the redemption of \$580 million of long-term debt.

As of September 29, 2012, we had \$857.4 million of total debt outstanding under various debt instruments, a net reduction of \$360.2 million from October 1, 2011.

Senior Notes Due 2019. During 2011, we issued \$500.0 million aggregate principal amount of senior notes due 2019 (the "2019 Notes"). The 2019 Notes mature on May 15, 2019 and bear interest at an annual rate of 7%, payable semi-annually in arrears in cash.

[Table of Contents](#)

The 2019 Notes are senior unsecured obligations and are fully and unconditionally guaranteed on a senior, unsecured basis by substantially all of our domestic subsidiaries. We may redeem all or any portion of the 2019 Notes at any time prior to May 15, 2014, at par plus accrued and unpaid interest and a make-whole premium. We may redeem all or any portion of the 2019 Notes beginning on or after May 15, 2014, at redemption prices ranging from 100% to 105.25% of principal amount of the 2019 Notes, plus accrued and unpaid interest. Following a change of control, as defined, each holder of the 2019 Notes shall have the right to require us to repurchase all or any portion of such holder's 2019 Notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest.

We entered into an interest rate swap to hedge our exposure to changes in the fair value of the 2019 Notes resulting from changes in interest rates. The swap agreement, with a notional amount of \$500 million and an expiration date of May 15, 2019, was entered into contemporaneously with the 2019 Notes and effectively converts these notes from fixed-rate debt to variable-rate debt. Pursuant to the interest rate swap, we pay the swap counterparty a variable rate equal to the three-month LIBOR plus a spread and receive a fixed rate of 7.0% from the swap counterparty. In accordance with Accounting Standards Codification (ASC) Topic 815, *Derivatives and Hedging*, the interest rate swap is accounted for as a fair value hedge but is exempt from periodic assessment of hedge effectiveness.

Senior Floating Rate Notes. In 2007, we issued \$300 million of Senior Floating Rate Notes due June 15, 2014 (the "2014 Notes"). The notes bear interest at a rate per annum, reset in full quarterly, equal to the three-month LIBOR plus 2.75%. We have repurchased \$42.6 million of the 2014 Notes since their issuance in 2007.

The 2014 Notes are senior unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured debt. We may redeem the 2014 Notes in whole or in part at par plus accrued and unpaid interest.

The interest rate on the 2014 Notes has been converted to a fixed rate of 8.344% through the use of interest rate swaps which are being accounted for as cash flow hedgers. The swaps have a notional amount of \$257 million and expire in June 2014.

8.125% Senior Subordinated Notes. During 2006, we issued \$600 million of 8.125% Senior Subordinated Notes due 2016 (the "2016 Notes"). During the third quarter of 2011, we redeemed \$200 million of the notes and fully redeemed all remaining outstanding 2016 Notes during 2012 in two separate transactions using primarily cash on hand.

Secured Debt. During the fourth quarter of 2012, we borrowed \$40.0 million using our corporate campus as collateral. The loan matures in 2015, bears interest at LIBOR plus a spread or the bank's prime rate plus a spread, and includes two one-year renewal options subject to lender's approval.

Asset-backed Lending Facility. In 2009, we entered into a Loan, Guaranty and Security Agreement, among us, the financial institutions party thereto from time to time as lenders, and Bank of America, N.A., as agent for such lenders. During the second quarter of 2012, we entered into an Amended and Restated Loan, Guaranty and Security Agreement (the "Loan Agreement"), among us, the financial institutions party thereto from time to time as lenders, and Bank of America, N.A., as agent for such lenders. The Loan Agreement amended and restated our existing Loan, Guaranty and Security Agreement. We incurred \$2.7 million of debt issuance costs in connection with this amendment. Such costs are included in other non-current assets on the consolidated balance sheet and are being amortized to interest expense over the life of the facility on a straight-line basis.

The Loan Agreement provides for a \$300 million secured asset-backed revolving credit facility with a \$100 million letter of credit sublimit. The facility may be increased by an additional \$200.0 million upon obtaining additional commitments from the lenders then party to the Loan Agreement or new lenders. The Loan Agreement expires on earlier of (i) the date that is 90 days prior to the maturity date of our 2014 Notes if such notes are not repaid, redeemed, defeased, refinanced or reserved for under the borrowing base under the Loan Agreement prior to such date, or (ii) March 16, 2017 (the "Maturity Date").

Loans may be advanced under the Loan Agreement based on a borrowing base derived from specified percentages of the value of eligible accounts receivable and inventory. The borrowing base is subject to certain customary reserves and eligibility criteria. If, at any time, the aggregate principal amount of the loans outstanding plus the face amount of undrawn letters of credit under the Loan Agreement exceed the borrowing base then in effect, we must make a payment or post cash collateral (in the case of letters of credit) in an amount sufficient to eliminate such excess. As of September 29, 2012, there were no borrowings under this facility, \$23.1 million in letters of credit were outstanding and we were eligible to borrow \$232.0 million.

Loans under the Loan Agreement bear interest, at our option, at a rate equal to LIBOR or a base rate equal to Bank of

[Table of Contents](#)

America, N.A.'s announced prime rate, in each case plus a spread. A commitment fee accrues on any unused portion of the commitments under the Loan Agreement at a rate per annum based on usage. Interest on loans is payable quarterly in arrears with respect to base rate loans and at the end of an interest period in the case of LIBOR loans. Principal, together with accrued and unpaid interest, is due on the Maturity Date. Our obligations under the Loan Agreement are secured by certain accounts receivable and other assets.

Short-term Debt

As of September 29, 2012, certain of our foreign subsidiaries had a total of \$128.0 million of short-term borrowing facilities, under which \$60.0 million was outstanding. Borrowings under these facilities bear interest at a rate equal to LIBOR plus a spread. These facilities expire at various dates through the end of 2013.

Other than our \$40 million loan which used certain of our real property as collateral, our debt agreements do not contain financial covenants currently applicable to us, but do include a number of restrictive covenants, including restrictions on incurring additional debt, making investments and other restricted payments, selling assets, paying dividends and redeeming or repurchasing capital stock and debt, subject to certain exceptions. Our \$40 million loan requires us to maintain a minimum fixed charge coverage ratio during its term. These covenants could constrain our ability to grow our business through acquisition or engage in other transactions which the covenants would otherwise restrict, including refinancing our existing debt. In addition, such agreements include covenants requiring, among other things, that we file quarterly and annual financial statements with the SEC, comply with all laws, pay all taxes and maintain casualty insurance. If we are not able to comply with all of these covenants, for any reason, some or all of our outstanding debt as well as all amounts payable under our interest rate swaps on such debt, if any, could become immediately due and payable and the incurrence of additional debt under our asset-backed credit facility would not be allowed, any of which could have a material adverse effect on our liquidity and ability to conduct our business.

Other Liquidity Matters

In the ordinary course of business, we are or may become party to legal proceedings, claims and other contingencies, including environmental and employee matters and examinations by government agencies. As of September 29, 2012, we had accrued liabilities of \$18.5 million related to such matters. We cannot accurately predict the outcome of these matters or the amount or timing of cash flows that may be required to defend ourselves or to settle such matters or that these accruals will be sufficient to fully satisfy our contingent liabilities.

As of September 29, 2012, we had a long-term liability of \$79.4 million for uncertain tax positions. Our estimate of our liabilities for uncertain tax positions is based on a number of subjective assessments, including the likelihood of a tax obligation being assessed, the amount of taxes (including interest and penalties) that would ultimately be payable, and our ability to settle any such obligations on favorable terms. Therefore, the amount of future cash flows associated with uncertain tax positions may be significantly higher or lower than our recorded liability. Additionally, we are unable to reliably estimate when cash settlement may occur.

We have entered into, and continue to enter into, various transactions that periodically require collateral. These obligations have historically arisen from customs, import/export, VAT, utility services, debt financing, foreign exchange contracts and interest rate swaps. We have collateralized, and may from time to time collateralize, such obligations as a result of counterparty requirements or for economic reasons. As of September 29, 2012, we had collateral of \$12.0 million in the form of cash against certain of our collateralized obligations. Cash used for collateral reduces our cash available for other purposes.

The interest rate swap on our 2019 Notes can be terminated at the option of the swap counterparty beginning in 2014. In such a case, we would no longer pay a variable rate of interest on such notes but would instead pay a fixed rate of 7%, which could be higher than the variable rate at the time of termination.

As of September 29, 2012, we were actively marketing a number of properties for sale. These properties are listed for sale at over \$100 million. However, there can be no assurance as to when we will be able to sell these properties, the amount we will realize upon sale of the properties, or if we will be able to sell them at all.

Our next long-term debt maturity is in 2014. We may, however, consider early redemptions of our debt, possibly using cash or proceeds from additional debt or equity financings. In addition to our existing covenant requirements, future debt financing may require us to comply with financial ratios and covenants. Any equity financing may result in dilution to existing stockholders.

[Table of Contents](#)

Our liquidity needs are largely dependent on changes in our working capital, including the extension of trade credit by our suppliers, investments in manufacturing inventory, facilities and equipment, repayments of obligations under outstanding indebtedness and repurchases of our outstanding debt. Our primary sources of liquidity as of September 29, 2012 included 1) cash of \$409.6 million; 2) our \$300 million asset-backed credit facility, of which we were eligible to borrow \$232 million; 3) short-term borrowing facilities of \$128 million, of which \$68 million was available; and 4) cash generated from operations. In addition, we are actively marketing a portfolio of surplus real estate with an aggregate list price of over \$100 million. Proceeds from the sales of properties in this portfolio will provide additional liquidity. However, there can be no assurance as to the amount that may actually be raised.

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 services decrease significantly over the next 12 months or should we experience increases in delinquent or uncollectible accounts receivable, our cash provided by operations would be adversely impacted.

As of September 29, 2012, approximately 45% of our cash balance was held outside of the U.S. by our foreign subsidiaries. Certain foreign countries impose taxes and penalties on such transfers of cash. Should we choose or need to remit cash to the U.S., we could incur tax obligations which would reduce the amount of cash ultimately available to the U.S. We believe that cash held in the U.S., together with cash available under U.S. credit facilities and cash from foreign subsidiaries that could be remitted to the U.S. without tax consequences, will be sufficient to meet our U.S. liquidity needs for at least the next twelve months.

Contractual Obligations

The following is a summary of our long-term debt, including interest, and operating lease obligations as of September 29, 2012:

Contractual Obligations	Total	Payments Due by Period			
		Less than 1 year	1- 3 years	3-5 years	More than 5 years
		(In thousands)			
Long-term debt, including interest	\$ 981,831	\$ 44,412	\$ 358,221	\$ 43,696	\$ 535,502
Operating leases	103,392	26,165	28,461	18,545	30,221
Total contractual obligations	<u>\$ 1,085,223</u>	<u>\$ 70,577</u>	<u>\$ 386,682</u>	<u>\$ 62,241</u>	<u>\$ 565,723</u>

Interest included above is based on our actual rate after considering both the underlying contractual rate and related interest rate swaps.

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 expected to be significant or meaningful. As of September 29, 2012, we had an insignificant amount of capital lease obligations.

As of September 29, 2012, we were unable to reliably estimate when cash settlements with taxing authorities may occur with respect to our unrecognized tax benefits of \$79.4 million. Additionally, we have provided guarantees to various third parties in the form of letters of credit totaling \$ 23.1 million as of September 29, 2012. The letters of credit cover various guarantees including workers' compensation claims and customs duties. Lastly, we have defined benefit pension plans with an underfunded amount of \$19.5 million at September 29, 2012. We will be required to provide additional funding to these plans in the future if our returns on plan assets are not sufficient to meet our funding obligations. None of the amounts described in this paragraph are included in the table above.

Off-Balance Sheet Arrangements

[Table of Contents](#)

As of September 29, 2012, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated by the SEC, that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues, or expenses, results of operations, liquidity, capital expenditures, or capital resources that is material to investors.

Quarterly Results (Unaudited)

The following tables contain selected unaudited quarterly financial data for 2012 and 2011. 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.

	Year ended September 29, 2012			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share data)			
Net sales	\$ 1,502,366	\$ 1,463,082	\$ 1,549,302	\$ 1,578,584
Gross profit	\$ 109,025	\$ 106,348	\$ 105,252	\$ 115,157
Gross margin	7.3%	7.3%	6.8%	7.3%
Operating income	\$ 39,688	\$ 30,208	\$ 35,394	\$ 32,200
Operating margin	2.6%	2.1%	2.3%	2.0%
Net income (loss)	\$ 8,575	\$ (1,439)	\$ 8,948	\$ 164,150 (1)
Basic net income (loss) per share	\$ 0.11	\$ (0.02)	\$ 0.11	\$ 2.01
Diluted net income (loss) per share	\$ 0.10	\$ (0.02)	\$ 0.11	\$ 1.96

	Year ended October 1, 2011			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share data)			
Net sales	\$ 1,662,451	\$ 1,569,058	\$ 1,674,200	\$ 1,696,702
Gross profit	\$ 128,047	\$ 116,831	\$ 131,601	\$ 133,872
Gross margin	7.7%	7.4%	7.9%	7.9%
Operating income	\$ 60,955	\$ 44,634	\$ 52,907	\$ 53,501
Operating margin	3.7%	2.8%	3.2%	3.2%
Net income	\$ 28,359	\$ 13,065	\$ 9,405	\$ 18,088
Basic net income per share	\$ 0.36	\$ 0.16	\$ 0.12	\$ 0.22
Diluted net income per share	\$ 0.34	\$ 0.16	\$ 0.11	\$ 0.22

(1) During the fourth quarter of 2012, we concluded that it was more likely than not that we would be able to realize the benefit of a portion of our deferred tax assets in the future. As a result, we released \$158.7 million of the valuation allowance attributable to certain U.S. deferred tax assets.

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

Interest Rate Risk

Our primary exposure to market risk for changes in interest rates relates to certain of our outstanding debt obligations. As of September 29, 2012, we had \$797.4 million of long-term debt, of which \$40 million bears interest at a floating rate, \$257.4 million of variable rate debt has been converted to fixed rate through the use of interest rate swaps and \$500 million of fixed rate debt has been converted to variable rate debt through the use of an interest rate swap. Accordingly, our exposure to interest rates is limited to variable rate long-term debt of \$540 million and \$60 million of variable-rate short-term borrowings outstanding as of September 29, 2012.

We are also exposed to market risk for changes in interest rates on our investment portfolio, which consists of highly liquid investments with maturities of three months or less from our original date of purchase. 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.

The effect of an immediate 10% change in interest rates would not have a significant impact on our results of operations.

Foreign Currency Exchange Risk

We transact business in foreign countries. Our foreign exchange policy requires that we take certain steps to limit our foreign exchange exposures resulting from certain assets and liabilities and forecasted cash flows. However, our policy does not require us to hedge all foreign exchange exposures. Furthermore, our foreign currency hedges are based on forecasted transactions and estimated balances, the amount of which may differ from that actually incurred. As a result, we can experience foreign exchange rate gains and losses in our results of operations.

Our primary foreign currency cash flows are in certain Asian and European countries, Israel and Mexico. We enter into short-term foreign currency forward contracts to hedge currency exposures associated with certain monetary assets and liabilities denominated in foreign currencies. These contracts typically have maturities of up to two months and are not designated as part of a hedging relationship in accordance with ASC Topic 815. 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 income. As of September 29, 2012, we had outstanding foreign currency forward contracts to exchange various foreign currencies for U.S. dollars in the aggregate notional amount of \$292.5 million.

We also utilize foreign currency forward contracts to hedge certain operational (“cash flow”) exposures resulting from changes in foreign currency exchange rates. Such exposures result from 1) forecasted sales denominated in currencies other than those used to pay for materials and labor and 2) anticipated capital expenditures denominated in a currency other than the functional currency of the entity making the expenditures. In addition, we also hedge capital expenditures related to certain plant expansions in Asia. These contracts are up to twelve months in duration and are accounted for as cash flow hedges under ASC Topic 815. The effective portion of changes in the fair value of the contracts is recorded in stockholders' equity as a separate component of accumulated other comprehensive income and recognized in earnings when the hedged item affects earnings. We had forward contracts related to cash flow hedges in various foreign currencies in the aggregate notional amount of \$123.1 million as of September 29, 2012.

The net impact of an immediate 10% change in exchange rates would not be material to our consolidated financial statements, provided we accurately forecast and estimate our foreign currency exposure. If such forecasts are materially inaccurate, we could incur significant gains or losses.

Item 8. *Financial Statements and Supplementary Data*

The information required by this item is included below and incorporated by reference from the financial statement schedule included in “Part IV-Item 15(a)(2)” and the selected quarterly financial data referred to in “Part II-Item 7-

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

Sanmina Corporation:

We have audited the accompanying consolidated balance sheets of Sanmina Corporation and subsidiaries (the Company) as of September 29, 2012 and October 1, 2011, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended September 29, 2012. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule of valuation and qualifying accounts as set forth under Item 15. We also have audited the Company's internal control over financial reporting as of September 29, 2012, 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 these consolidated financial statements and financial statement schedule, 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 these consolidated financial statements and financial statement schedule and an opinion on the Company's internal control over financial reporting 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audits of internal control over financial reporting 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 audits also included performing such other procedures, as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sanmina Corporation and subsidiaries as of September 29, 2012 and October 1, 2011, and the results of their operations and their cash flows for each of the years in the three-year period ended September 29, 2012, 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. Also in our opinion, Sanmina Corporation maintained, in all material respects, effective internal control over financial reporting as of September 29, 2012, based on criteria established in *Internal Control - Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG LLP

Santa Clara, California
November 20, 2012

SANMINA CORPORATION
CONSOLIDATED BALANCE SHEETS

	As of	
	September 29, 2012	October 1, 2011
	(In thousands, except par value)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 409,618	\$ 640,288
Accounts receivable, net of allowances of \$12,032 and \$14,537, respectively	1,001,543	1,014,121
Inventories	826,539	891,325
Prepaid expenses and other current assets	88,599	83,512
Total current assets	<u>2,326,299</u>	<u>2,629,246</u>
Property, plant and equipment, net	569,365	588,097
Other	272,122	136,630
Total assets	<u>\$ 3,167,786</u>	<u>\$ 3,353,973</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 937,737	\$ 984,014
Accrued liabilities	104,741	109,478
Accrued payroll and related benefits	117,074	112,193
Short-term debt	59,995	60,200
Total current liabilities	<u>1,219,547</u>	<u>1,265,885</u>
Long-term liabilities:		
Long-term debt	837,364	1,182,308
Other	147,094	135,263
Total long-term liabilities	<u>984,458</u>	<u>1,317,571</u>
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, \$.01 par value, authorized 5,000 shares, none issued and outstanding	—	—
Common stock, \$.01 par value, authorized 166,667 shares, 94,971 and 94,035 shares issued, respectively, and 81,635 and 80,734 shares outstanding, respectively	817	807
Treasury stock, 13,336 and 13,301 shares, respectively, at cost	(214,133)	(213,828)
Additional paid-in capital	6,074,524	6,053,940
Accumulated other comprehensive income	63,479	70,738
Accumulated deficit	(4,960,906)	(5,141,140)
Total stockholders' equity	<u>963,781</u>	<u>770,517</u>
Total liabilities and stockholders' equity	<u>\$ 3,167,786</u>	<u>\$ 3,353,973</u>

See accompanying notes to the consolidated financial statements.

SANMINA CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
	(In thousands, except per share amounts)		
Net sales	\$ 6,093,334	\$ 6,602,411	\$ 6,318,691
Cost of sales	5,657,552	6,092,060	5,835,701
Gross profit	435,782	510,351	482,990
Operating expenses:			
Selling, general and administrative	240,863	247,127	252,534
Research and development	21,899	20,802	13,004
Restructuring and integration costs	31,371	29,609	21,822
Amortization of intangible assets	3,067	3,831	3,555
Asset impairments	2,390	450	1,100
Gain on sales of long-lived assets	(1,298)	(3,465)	(13,824)
Total operating expenses	298,292	298,354	278,191
Operating income	137,490	211,997	204,799
Interest income	1,425	1,861	2,246
Interest expense	(71,744)	(99,114)	(108,144)
Other income (expense), net	(291)	892	41,538
Loss on extinguishments of debt	(16,937)	(16,098)	(1,197)
Interest and other income (expense), net	(87,547)	(112,459)	(65,557)
Income before income taxes	49,943	99,538	139,242
Provision for (benefit from) income taxes	(130,291)	30,621	16,807
Net income	\$ 180,234	\$ 68,917	\$ 122,435
Net income per share:			
Basic	\$ 2.22	\$ 0.86	\$ 1.55
Diluted	\$ 2.16	\$ 0.83	\$ 1.48
Weighted-average shares used in computing per share amounts:			
Basic	81,284	80,345	79,195
Diluted	83,495	83,158	82,477

See accompanying notes to the consolidated financial statements.

SANMINA CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
	(In thousands)		
Net income	\$ 180,234	\$ 68,917	\$ 122,435
Other comprehensive income:			
Net unrealized gain (loss) on derivative financial instruments, net of tax	6,474	6,978	(5,373)
Foreign currency translation adjustments	(2,543)	5,419	10,996
Changes in unrecognized net actuarial loss and unrecognized transition costs, net of tax	(11,190)	4,124	(3,756)
Comprehensive income	<u>\$ 172,975</u>	<u>\$ 85,438</u>	<u>\$ 124,302</u>

See accompanying notes to the consolidated financial statements.

SANMINA CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock and Additional Paid-in Capital		Treasury Stock		Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Number of Shares	Amount	Number of Shares	Amount			
	(In thousands)						
BALANCE AT OCTOBER 3, 2009	91,914	\$ 6,012,932	(13,348)	\$ (213,720)	\$ 52,350	\$ (5,332,492)	\$ 519,070
Issuances under stock plans	1,160	3,821	—	—	—	—	3,821
Cumulative translation adjustment	—	—	—	—	10,996	—	10,996
Unrealized loss on derivative financial instruments, net of tax	—	—	—	—	(5,373)	—	(5,373)
Changes in unrecognized net actuarial loss and unrecognized transition costs, net of tax	—	—	—	—	(3,756)	—	(3,756)
Stock-based compensation	—	15,167	—	—	—	—	15,167
Issuances (repurchases) of treasury stock	—	51	(4)	(810)	—	—	(759)
Net income	—	—	—	—	—	122,435	122,435
BALANCE AT OCTOBER 2, 2010	93,074	\$ 6,031,971	(13,352)	\$ (214,530)	\$ 54,217	\$ (5,210,057)	\$ 661,601
Issuances under stock plans	961	4,603	—	—	—	—	4,603
Cumulative translation adjustment	—	—	—	—	5,419	—	5,419
Unrealized gain on derivative financial instruments, net of tax	—	—	—	—	6,978	—	6,978
Changes in unrecognized net actuarial loss and unrecognized transition costs, net of tax	—	—	—	—	4,124	—	4,124
Stock-based compensation	—	18,896	—	—	—	—	18,896
Issuances (repurchases) of treasury stock	—	(723)	51	702	—	—	(21)
Net income	—	—	—	—	—	68,917	68,917
BALANCE AT OCTOBER 1, 2011	94,035	\$ 6,054,747	(13,301)	\$ (213,828)	\$ 70,738	\$ (5,141,140)	\$ 770,517
Issuances under stock plans	936	2,595	—	—	—	—	2,595
Cumulative translation adjustment	—	—	—	—	(2,543)	—	(2,543)
Unrealized gain on derivative financial instruments, net of tax	—	—	—	—	6,474	—	6,474
Changes in unrecognized net actuarial loss and unrecognized transition costs, net of tax	—	—	—	—	(11,190)	—	(11,190)
Stock-based compensation	—	17,999	—	—	—	—	17,999
Issuances (repurchases) of treasury stock	—	—	(35)	(305)	—	—	(305)
Net income	—	—	—	—	—	180,234	180,234
BALANCE AT SEPTEMBER 29, 2012	94,971	\$ 6,075,341	(13,336)	\$ (214,133)	\$ 63,479	\$ (4,960,906)	\$ 963,781

See accompanying notes to the consolidated financial statements.

SANMINA CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
(In thousands)			
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Net income	\$ 180,234	\$ 68,917	\$ 122,435
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	99,477	104,571	89,573
Stock-based compensation expense	17,999	18,896	15,167
Provision (benefit) for doubtful accounts, product returns and other net sales adjustments	(826)	(1,187)	3,571
Deferred income taxes	(155,791)	(2,163)	3,492
Gain on sales of assets	(1,780)	(3,330)	(18,036)
Impairment of assets	7,134	450	1,100
Loss on extinguishments of debt	16,937	16,098	1,197
Other, net	(81)	(357)	2,330
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	12,896	6,061	(332,179)
Inventories	63,365	(46,803)	(60,129)
Prepaid expenses and other current assets	9,432	(10,075)	1,629
Accounts payable	(48,412)	71,248	93,801
Accrued liabilities and other long-term liabilities	14,829	12,582	(2,285)
Cash provided by (used in) operating activities	215,413	234,908	(78,334)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES:			
Net proceeds from sales of long-term investments	799	59	1,182
Purchases of property, plant and equipment	(78,631)	(107,574)	(81,416)
Proceeds from sales of property, plant and equipment	4,828	24,066	30,847
Cash paid in connection with business combinations	(5,023)	(14,656)	(14,908)
Cash used in investing activities	(78,027)	(98,105)	(64,295)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES:			
Change in restricted cash	5,100	12,857	(10,808)
Proceeds from short-term borrowings	73,995	62,000	65,000
Repayments of short-term borrowings	(74,200)	(66,800)	—
Proceeds from revolving credit facility borrowings	484,000	—	—
Repayments of revolving credit facility borrowings	(484,000)	—	—
Repayments of long-term debt	(410,843)	(590,623)	(219,867)
Proceeds from issuance of long-term debt, net of issuance costs	39,532	489,030	—
Revolving credit facility issuance costs	(2,687)	—	—
Net proceeds from stock issuances	2,595	4,603	3,821
Repurchases of common stock	(305)	(21)	(759)
Cash used in financing activities	(366,813)	(88,954)	(162,613)
Effect of exchange rate changes	(1,243)	(373)	(1,097)
Increase (decrease) in cash and cash equivalents	(230,670)	47,476	(306,339)
Cash and cash equivalents at beginning of year	640,288	592,812	899,151
Cash and cash equivalents at end of year	\$ 409,618	\$ 640,288	\$ 592,812
Cash paid during the year:			
Interest, net of capitalized interest	\$ 67,994	\$ 91,094	\$ 97,787
Income taxes, net of refunds	\$ 12,723	\$ 12,326	\$ 29,738

See accompanying notes to the consolidated financial statements.

SANMINA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization of Sanmina

Sanmina Corporation (“Sanmina,” or the “Company”) was incorporated in Delaware in 1989. The Company is a leading global provider of integrated manufacturing solutions, components, products and repair, logistics and after-market services. The Company provides these comprehensive solutions primarily to original equipment manufacturers (OEMs) in the communications networks; computing and storage; multimedia; industrial and semiconductor capital equipment; defense and aerospace; medical; clean technology and automotive industries. The Company’s operations are managed as two businesses:

- 1) Integrated Manufacturing Solutions (IMS), which is a single operating segment consisting of printed circuit board assembly and test, optical and RF (Radio Frequency) modules, final system assembly and test, and direct order fulfillment.
- 2) Components, Products and Services (CPS), consisting of Components, which includes interconnect systems (printed circuit board fabrication and backplane and cable assemblies) and mechanical systems (enclosures, precision machining and plastic injection molding); Products, which includes memory and SSD products from Viking Technology; products from SCI Technology for use in the defense and aerospace industry and storage products from Newisys; and Services, which includes design, engineering, logistics and repair services.

In accordance with the accounting rules for segment reporting, the Company’s only reportable segment is IMS, which represented 81% of its total revenue in 2012. The CPS business consists of multiple operating segments which do not meet the quantitative thresholds for being presented as reportable segments. Therefore, financial information for these operating segments will be presented in a single category entitled “Components, Products and Services”.

Basis of Presentation

Fiscal Year. The Company operates on a 52 or 53 week year ending on the Saturday nearest September 30. Fiscal 2012, 2011 and 2010 were each 52 weeks. All references to years relate to fiscal years unless otherwise noted.

Principles of Consolidation. The consolidated financial statements include the Company’s accounts and those of its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

Note 2. Summary of Significant Accounting Policies

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 liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates made in preparing the consolidated financial statements relate to allowances for accounts receivable; provisions for excess and obsolete inventories, product returns, warranties, restructuring costs, environmental matters, and legal exposures; determining liabilities for uncertain tax positions; determining the realizability of deferred tax assets; determining fair values of tangible and intangible assets for purposes of impairment tests; determining fair values of interest rate swaps and equity awards; and determining forfeiture rates, volatility and expected life assumptions for purposes of calculating stock compensation expense. 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 contracts, interest rate swap agreements, accounts receivable, accounts payable and debt obligations. With the exception of certain of the Company’s debt obligations (refer to Note 4. Fair Value and Note 5. Derivative Financial Instruments), the fair value of these financial instruments approximates their carrying amount as of September 29, 2012 and October 1, 2011 due to the nature, or short maturity, of these instruments, or the fact that the instruments are recorded at fair value in the consolidated balance sheets.

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

The Company invests certain daily surplus funds overnight in institutional money market funds. The money market

[Table of Contents](#)

funds invest in highly-rated and highly-liquid fixed income securities with the primary objectives of capital preservation, liquidity and a level of current income consistent with their investment policies. Money market funds typically invest in government securities, certificates of deposit, corporate commercial paper, or other highly-liquid and low-risk securities. Money market funds attempt to keep their net asset value at a constant \$1.00 per share.

Cash and cash equivalents consisted of the following:

	As of	
	September 29, 2012	October 1, 2011
	(In thousands)	
Cash balances	\$ 409,183	\$ 639,853
Money market funds	435	435
Total	\$ 409,618	\$ 640,288

Accounts Receivable and Other Related Allowances. The Company estimates uncollectible balances, product returns and other adjustments and had allowances of \$12.0 million and \$14.5 million as of September 29, 2012 and October 1, 2011, respectively, for these items. One of the Company's most significant risks is the ultimate realization of its accounts receivable. This risk is mitigated by ongoing credit evaluations of customers and frequent contact with customers, especially the most significant customers, which enable the Company to monitor changes in its customers' business operations and respond accordingly. To establish the allowance for doubtful accounts, the Company estimates credit risk associated with accounts receivable by considering the creditworthiness of its customers, past experience, changes in customer demand, and the overall economic climate in industries that it serves. To establish the allowance for product returns and other adjustments, the Company primarily utilizes historical data.

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

Provisions are made to reduce excess and obsolete inventories to their estimated net realizable values. The ultimate realization of inventory carrying amounts is primarily affected by changes in customer demand. Inventory provisions are established based on forecasted demand, past experience with specific customers, the age and nature of the inventory, the ability to redistribute inventory to other programs or back to suppliers, and whether customers are contractually obligated and have the ability to pay for the related inventory. Certain payments received from customers for inventory held by the Company 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, at fair value as of the acquisition date. Depreciation is provided on a straight-line basis over 20 to 40 years for buildings and 3 to 15 years for machinery, equipment, furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or useful life of the asset.

The Company reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An asset or asset group is considered impaired if its carrying amount exceeds the undiscounted future net cash flows the asset or asset group 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 or asset group exceeds its fair value. An asset group is the unit of accounting for a long-lived asset or assets to be held and used, which represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets. For vertically integrated plants, the Company has determined that each individual plant, together with the other plants with which it is vertically integrated, is an asset group. For all other plants, each individual plant is an asset group. For asset groups for which the primary asset is a building, the Company estimates fair value based on data provided by commercial real estate brokers. For other asset groups, the Company estimates fair value based on projected discounted future net cash flows.

Goodwill. Costs in excess of the fair value of tangible and identifiable intangible assets acquired and liabilities assumed in a purchase business combination are recorded as goodwill. ASC Topic 350, *Intangibles - Goodwill and Other*, requires that companies not amortize goodwill, but instead test for impairment at least annually. The guidance allows an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The results of this qualitative assessment will determine whether a two-step goodwill impairment test must

[Table of Contents](#)

be performed. The Company performs qualitative assessment for goodwill impairment on an annual basis, at a minimum, and whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. Goodwill was \$21.8 million as of September 29, 2012 and was included in other non-current assets on the consolidated balance sheets and is primarily related to the Company's IMS segment.

Identifiable Intangible Assets. The Company has certain identifiable intangible assets that are subject to amortization. These assets consist primarily of intellectual property and customer relationships obtained through acquisitions. These assets are carried at cost less accumulated amortization, and are amortized to expense on a straight-line basis over estimated useful lives ranging from 5 to 22 years.

The Company reviews identifiable 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. An asset is considered impaired if its carrying amount exceeds the undiscounted future net cash flows 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. The Company estimates fair value based primarily on projected discounted future net cash flows.

Foreign Currency Translation. For foreign subsidiaries using the local currency as their functional currency, assets and liabilities are translated to U.S. dollars 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 in stockholders' equity as a component of accumulated other comprehensive income. For all entities, remeasurement adjustments for non-functional currency monetary assets and liabilities are included in other income (expense), net in the accompanying consolidated statements of income. Additionally, remeasurement gains and losses arising from long-term intercompany loans denominated in a currency other than an entity's functional currency are recorded in accumulated other comprehensive income if repayment of the loan is not anticipated in the foreseeable future.

Derivative Instruments and Hedging Activities. The Company conducts business on a global basis in numerous currencies, which exposes the Company to movements in foreign currency exchange rates. The Company uses derivatives, such as foreign currency forward contracts and interest rate swaps, to minimize the volatility of earnings and cash flows associated with changes in foreign currency exchange rates and interest rates.

The Company accounts for derivative instruments and hedging activities in accordance with ASC Topic 815, *Derivatives and Hedging*, which requires each derivative instrument to be recorded in the consolidated balance sheets at its fair value as either an asset or a liability. 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 earnings 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 item being hedged 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. At the inception of a hedge, the Company documents all relationships between derivative instruments and related hedged items, as well as its risk-management objectives and strategies for the hedging transaction.

The Company's foreign currency forward contracts and interest rate swaps potentially 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 seeking high quality counterparties. The Company has not incurred material losses as a result of default by counterparties.

Revenue Recognition. The Company derives revenue principally from sales of manufacturing services, components and other products. Other sources of revenue include order fulfillment, logistic and repair services, and sales of certain inventory, including raw materials, to customers who reschedule, amend or cancel purchase orders after the Company has procured inventory to fulfill the customers' purchase orders. The Company recognizes revenue for manufacturing services, products and sales of certain inventory when a persuasive arrangement between the Company and the buyer exists, usually in the form of a purchase order received from the Company's customer, the price is fixed or determinable, delivery or performance has occurred and collectability is reasonably assured. Generally, there are no formal customer acceptance requirements or further obligations related to the product or the inventory subsequent to transfer of title.

The Company's order fulfillment and logistics services involve warehousing and managing finished product on behalf of a customer. These services are usually provided in conjunction with manufacturing services at one of the Company's facilities. In these instances, revenue for manufacturing services is deferred until the related goods are delivered to the customer, which is upon completion of order fulfillment and logistics services. In certain instances, the Company's facility used

[Table of Contents](#)

to provide order fulfillment and logistics services is controlled by the customer pursuant to a separate arrangement. In these instances, revenue for manufacturing services is recognized upon receipt of the manufactured product at the customer-controlled location and revenue for order fulfillment and logistics services is recognized separately as the services are provided.

Provisions are made for estimated sales returns and other adjustments at the time revenue is recognized. Such provisions were not material to the consolidated financial statements for any period presented herein. The Company presents sales net of sales taxes and value-added taxes in its consolidated statements of income. Amounts billed to customers for shipping and handling are recorded as revenue and shipping and handling costs incurred by the Company are included in cost of sales.

Warranty Reserve. The Company establishes a warranty reserve for shipped products based on individual manufacturing contract requirements and past warranty experience.

Restructuring Costs. The Company incurs restructuring costs in connection with closure or consolidation of excess manufacturing or administrative facilities, as well as other exit activities, and records 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. The recognition of restructuring charges requires the Company's management to make judgments and estimates regarding the nature, timing, and amount of costs associated with the planned exit activity, including estimates of sublease income. Estimates of future liabilities may change, requiring the Company to record additional restructuring charges or to reduce the amount of liabilities already recorded. At the end of each reporting period, the Company evaluates the remaining accrual balances to ensure their adequacy, that no excess accruals are retained and that utilization of the accruals is for the intended purpose in accordance with developed exit plans. In the event circumstances change and an accrual is no longer required, the accrual is reversed through restructuring expense.

Stock-Based Compensation. The Company measures compensation expense based on the estimated fair value of stock awards.

The Company primarily uses the Black-Scholes option pricing model to estimate the fair value of stock options. The Black-Scholes model requires the use of highly subjective and complex assumptions, including the option's expected term and the price volatility of the underlying stock. The expected term of options is based on observed historical exercise patterns and expected volatility is based on historical volatility over the expected life of the options. For restricted stock units, fair value is the fair market value of the Company's stock on the date of grant. With respect to awards with performance conditions only, compensation expense is recognized only if it is deemed probable that the performance conditions will be met. For awards with a market condition, the market condition is considered in the grant-date fair value of the award using a lattice model which utilizes multiple input variables to determine the probability of the specified market condition being achieved. For these types of awards, expense is recognized over the requisite service period regardless of whether the market condition is satisfied, provided that the requisite service period is completed. Compensation expense for all stock awards is reduced by forfeitures, which are estimated based on observed historical forfeiture patterns.

Income taxes. The Company estimates its income tax provision or benefit in each of the jurisdictions in which it operates, including estimating exposures and making judgments regarding the realizability of deferred tax assets. The carrying value of the Company's net deferred tax assets is based on the Company's belief that it is more likely than not that the Company 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 do not meet the "more likely than not" criteria discussed above .

The Company's tax rate is highly dependent upon the geographic distribution of its worldwide income or losses, the tax regulations and tax holidays in each geographic region, the availability of tax credits and carryforwards, including net operating losses, and the effectiveness of its tax planning strategies.

The Company makes an assessment of whether each income tax position is "more likely than not" of being sustained on audit, including resolution of related appeals or litigation, if any. For each income tax position that meets the "more likely than not" recognition threshold, the Company then assesses the largest amount of tax benefit that is greater than 50% likely of being realized upon effective settlement with the tax authority. Interest and penalties related to unrecognized tax benefits are recognized as a component of income tax expense.

Earnings Per Share. Basic net income per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted net income per share is computed by dividing net income by the weighted average number of shares of common stock and potential shares of common stock (representing the dilutive effect

[Table of Contents](#)

of stock options and restricted stock units) outstanding during the period.

Recent Accounting Pronouncements. In September 2011, the FASB issued new accounting guidance intended to simplify how an entity tests goodwill for impairment. The guidance allows an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The results of this qualitative assessment will determine whether a quantitative impairment test must be performed. The Company adopted this guidance in 2012.

Note 3. Balance Sheet Items

Inventories

Components of inventories were as follows:

	As of	
	September 29, 2012	October 1, 2011
	(In thousands)	
Raw materials	\$ 584,821	\$ 641,918
Work-in-process	96,757	98,097
Finished goods	144,961	151,310
Total	<u>\$ 826,539</u>	<u>\$ 891,325</u>

Property, Plant and Equipment, net

Property, plant and equipment consisted of the following:

	As of	
	September 29, 2012	October 1, 2011
	(In thousands)	
Machinery and equipment	\$ 1,424,070	\$ 1,443,942
Land and buildings	553,143	524,540
Leasehold improvements	58,197	57,480
Furniture and fixtures	19,068	21,253
Construction in progress	45,676	20,617
	2,100,154	2,067,832
Less: Accumulated depreciation and amortization	(1,530,789)	(1,479,735)
Property, plant and equipment, net	<u>\$ 569,365</u>	<u>\$ 588,097</u>

Depreciation expense was \$96.3 million, \$100.1 million, and \$85.8 million for 2012, 2011 and 2010, respectively.

Other Intangible Assets

Gross and net carrying values of other intangible assets were as follows:

	Gross Carrying Amount	Impairment of Intangibles	Accumulated Amortization	Net Carrying Amount
	(In thousands)			
As of September 29, 2012	<u>\$ 82,310</u>	<u>\$ (7,928)</u>	<u>\$ (67,139)</u>	<u>\$ 7,243</u>
As of October 1, 2011	<u>\$ 82,905</u>	<u>\$ (7,928)</u>	<u>\$ (63,970)</u>	<u>\$ 11,007</u>

Intangible asset amortization expense was \$3.2 million in 2012, \$4.5 million in 2011 and \$3.8 million in 2010

[Table of Contents](#)

(including \$0.1 million, \$0.6 million and \$0.2 million in cost of sales in 2012, 2011 and 2010, respectively). In 2012, the Company wrote-off \$0.6 million of intangible assets due to closure of a plant. Other intangible assets are included in other non-current assets on the consolidated balance sheets.

Estimated future annual amortization of other intangible assets is as follows:

Year Ended:	(In thousands)
2013	\$ 1,905
2014	1,797
2015	1,256
2016	364
2017	364
Thereafter	1,557
Total	\$ 7,243

Warranty Reserve. The following tables present warranty reserve activity:

Balance as of October 1, 2011	Additions to Accrual	Accrual Utilized	Balance as of September 29, 2012
(In thousands)			
\$ 15,672	\$ 6,716	\$ (7,739)	\$ 14,649

Balance as of October 2, 2010	Additions to Accrual	Accrual Utilized	Balance as of October 1, 2011
(In thousands)			
\$ 17,752	\$ 9,012	\$ (11,092)	\$ 15,672

The warranty reserve is included in accrued liabilities on the consolidated balance sheet.

Note 4. Fair Value

Fair Value Option for Long-term Debt

The Company has elected not to record its long-term debt instruments at fair value, but has measured them at fair value for disclosure purposes. As of September 29, 2012, the carrying amount and estimated fair value of the Company's long-term debt instruments were \$797.4 million and \$799.8 million, respectively. Fair value was estimated based on either a quoted price or other market sources (Level 2 inputs).

Assets/Liabilities Measured at Fair Value on a Recurring Basis

The Company's primary financial assets and financial liabilities are as follows:

- Money market funds
- Time deposits
- Foreign currency forward contracts
- Interest rate swaps

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and also considers assumptions that market participants would use when pricing an asset or liability.

Inputs to valuation techniques used to measure fair value are prioritized into three broad levels (fair value hierarchy),

[Table of Contents](#)

as follows:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs that reflect quoted prices, other than quoted prices included in Level 1, that are observable for the assets or liabilities, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in less active markets; or inputs that are derived principally from or corroborated by observable market data by correlation.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the measurement of the fair value of assets or liabilities.

There were no transfers between levels in the fair value hierarchy during any period presented herein. The following table presents information as of September 29, 2012 with respect to assets and liabilities measured at fair value on a recurring basis:

	Money market funds		Time deposits		Derivatives designated as hedging instruments under ASC 815: Foreign Currency Forward Contracts and Interest Rate Swaps		Derivatives not designated as hedging instruments under ASC 815: Foreign Currency Forward Contracts		Total
	Level 1	Level 1	Level 1	Level 1	Level 2	Level 2	Level 2	Level 2	
(In thousands)									
<i>Balance Sheet Classification:</i>									
Cash and cash equivalents	\$ 435	\$ 3,384	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,819
Prepaid expenses and other current assets	\$ —	\$ —	\$ 77	\$ —	\$ 77	\$ 1,770	\$ —	\$ —	\$ 1,847
Other assets	\$ —	\$ —	\$ 39,954	\$ —	\$ 39,954	\$ —	\$ —	\$ —	\$ 39,954
Accrued liabilities (1)	\$ —	\$ —	\$ (175)	\$ —	\$ (175)	\$ (2,913)	\$ —	\$ —	\$ (3,088)
Other long-term liabilities (1)	\$ —	\$ —	\$ (23,126)	\$ —	\$ (23,126)	\$ —	\$ —	\$ —	\$ (23,126)

(1) Liabilities, or credit balances, are presented as negative amounts.

The following table presents information as of October 1, 2011 with respect to assets and liabilities measured at fair value on a recurring basis:

	Money market funds		Time deposits		Derivatives designated as hedging instruments under ASC 815: Foreign Currency Forward Contracts and Interest Rate Swaps		Derivatives not designated as hedging instruments under ASC 815: Foreign Currency Forward Contracts		Total
	Level 1	Level 1	Level 1	Level 1	Level 2	Level 2	Level 2	Level 2	
(In thousands)									
<i>Balance Sheet Classification:</i>									
Cash and cash equivalents	\$ 435	\$ 52,120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 52,555
Prepaid expenses and other current assets	\$ —	\$ —	\$ 59	\$ —	\$ 59	\$ 8,243	\$ —	\$ —	\$ 8,302
Other assets	\$ —	\$ —	\$ 24,898	\$ —	\$ 24,898	\$ —	\$ —	\$ —	\$ 24,898
Accrued liabilities (1)	\$ —	\$ —	\$ (331)	\$ —	\$ (331)	\$ (8,211)	\$ —	\$ —	\$ (8,542)
Other long-term liabilities (1)	\$ —	\$ —	\$ (33,211)	\$ —	\$ (33,211)	\$ —	\$ —	\$ —	\$ (33,211)

(1) Liabilities, or credit balances, are presented as negative amounts.

The Company sponsors deferred compensation plans for eligible employees and non-employee members of its Board of Directors that allow participants to defer payment of part or all of their compensation. The Company's results of operations

[Table of Contents](#)

are not significantly affected by these plans since changes in the fair value of the assets substantially offset changes in the fair value of the liabilities. As such, assets and liabilities associated with these plans have not been included in the above tables. Assets and liabilities associated with these plans were approximately \$10.0 million as of September 29, 2012 and October 1, 2011 and were recorded as other non-current assets and other long-term liabilities in the consolidated balance sheet.

The Company values derivatives using observable Level 2 market expectations at the measurement date and standard valuation techniques to convert future amounts to a single present value amount assuming that participants are motivated, but not compelled, to transact. The Company seeks high quality counterparties for all financing arrangements. For interest rate swaps, Level 2 inputs include short-term LIBOR rates, futures contracts on LIBOR between two and four years, longer term swap rates at commonly quoted intervals, and credit default swap rates for the Company and relevant counterparties. For currency contracts, Level 2 inputs include foreign currency spot and forward rates and interest rates at commonly quoted intervals. Mid-market pricing is used as a practical expedient for fair value measurements. ASC Topic 820 requires the fair value measurement of an asset or liability to reflect the nonperformance risk of the entity and the counterparty. Therefore, the counterparty's creditworthiness when in an asset position and the Company's creditworthiness when in a liability position have been considered in the fair value measurement of derivative instruments. The effect of nonperformance risk on the fair value of derivative instruments was not material as of September 29, 2012 and October 1, 2011.

Non-Financial Assets Measured at Fair Value on a Nonrecurring Basis

The Company's assets held-for-sale consist of land and buildings that are measured at fair value on a nonrecurring basis since these assets are subject to fair value adjustments only when the carrying amount of such assets exceeds the fair value of such assets or such assets have been previously impaired and the fair value exceeds the carrying amount by less than the amount of the impairment that has been recognized. Level 2 inputs consist of independent third party valuations based on market comparables. The carrying value of the Company's assets held-for-sale was \$10.2 million as of September 29, 2012 and \$13.9 million as of October 1, 2011, and was included in prepaid expenses and other current assets in the consolidated balance sheet. Impairment charges of \$2.4 million and \$0.5 million were recorded in 2012 and 2011, respectively, related to properties held-for-sale.

Note 5. Derivative Financial Instruments

The Company is exposed to certain risks related to its ongoing business operations. The primary risks managed by using derivative instruments are interest rate risk and foreign exchange rate risk.

Interest Rate Risk

Interest rate swaps are used to manage interest rate risk associated with borrowings under the Company's long-term debt arrangements.

Cash Flow Hedges

The Company has \$257.4 million of floating rate notes outstanding as of September 29, 2012 and has interest rate swap agreements with two independent counterparties to hedge its interest rate exposure. The swap agreements, with an aggregate notional amount of \$257 million and expiration date of June 15, 2014, effectively convert the variable interest rate obligation to a fixed interest rate obligation and are accounted for as cash flow hedges under ASC Topic 815, *Derivatives and Hedging*. Under the terms of the swap agreements, the Company pays the independent swap counterparties a fixed rate and the swap counterparties pay the Company an interest rate equal to the three-month LIBOR. These swap agreements effectively fix the interest rate at 8.344% through maturity. As of September 29, 2012, the fair value of the interest rate swaps was \$23.1 million and is included in other long-term liabilities on the consolidated balance sheet.

Fair Value Hedge

The Company has \$500 million of fixed-rate senior notes outstanding as of September 29, 2012 and has an interest rate swap with a single counterparty to hedge its exposure to changes in the fair value of the notes resulting from fluctuations in interest rates. The swap agreement, with a notional amount of \$500 million and an expiration date of May 15, 2019, effectively converts these notes from fixed-rate debt to variable-rate debt. Pursuant to the interest rate swap, the Company pays the swap counterparty a variable rate equal to the three-month LIBOR plus a spread and receives a fixed rate of 7.0% from the swap counterparty. The swap counterparty has the unilateral right to terminate the swap beginning in 2014, consistent with the Company's ability to call the 2019's beginning in 2014. In accordance with ASC Topic 815, the interest rate swap is accounted for as a fair value hedge and is exempt from periodic assessment of hedge effectiveness. Therefore, the change in the fair value of the 2019 Notes resulting from changes in interest rates is assumed to be equal and opposite to the change in the fair value of the interest rate swap. As of September 29, 2012, the fair value of the interest rate swap was \$40.0 million and is included in other non-current assets on the consolidated balance sheet.

Foreign Exchange Rate Risk

Forward contracts on various foreign currencies are used to manage foreign currency risk associated with forecasted foreign currency transactions and certain monetary assets and liabilities denominated in foreign currencies. The Company's primary foreign currency cash flows are in certain Asian and European countries, Israel and Mexico.

The Company had the following outstanding foreign currency forward contracts that were entered into to hedge foreign currency exposures:

	As of	
	September 29, 2012	October 1, 2011
Derivatives Designated as Accounting Hedges:		
Notional amount (in thousands)	\$123,050	\$117,224
Number of contracts	49	57
Derivatives Not Designated as Accounting Hedges:		
Notional amount (in thousands)	\$292,469	\$466,007
Number of contracts	33	34

The Company enters into short-term foreign currency forward contracts to hedge currency exposures associated with certain monetary assets and liabilities denominated in foreign currencies. These contracts have maturities of up to two months and are not designated as accounting hedges under ASC Topic 815. Accordingly, these contracts are marked-to-market at the end of each period with unrealized gains and losses recorded in other expense, net, in the consolidated statements of income. For the year ended September 29, 2012 and October 1, 2011, the Company recognized gains of \$7.4 million and \$1.6 million,

[Table of Contents](#)

respectively, associated with these forward contracts. From an economic perspective, gains and losses on forward contracts substantially offset gains and losses on the underlying hedged items for both periods presented herein.

The Company also utilizes foreign currency forward contracts to hedge certain operational (“cash flow”) exposures resulting from changes in foreign currency exchange rates. Such exposures generally result from 1) forecasted sales denominated in currencies other than those used to pay for materials and labor and 2) anticipated capital expenditures denominated in a currency other than the functional currency of the entity making the expenditures. These contracts are up to twelve months in duration and are accounted for as cash flow hedges under ASC Topic 815.

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of accumulated other comprehensive income (AOCI), an equity account, and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on derivative instruments representing hedge ineffectiveness are recognized in current earnings and were not material for any period presented herein. As of September 29, 2012, AOCI related to foreign currency forward contracts was not material and AOCI related to interest rate swaps was a loss of \$21.9 million, of which \$12.9 million is expected to be amortized to interest expense over the next 12 months.

The following table presents the effect of cash flow hedging relationships on the Company's consolidated statement of income for the years ended September 29, 2012 and October 1, 2011, respectively:

Derivative Type and Income Statement Location	Amount of Gain/(Loss) Recognized in OCI on Derivative (Effective Portion)		Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
	(In thousands)			
Interest rate swaps - Interest expense	\$ (3,109)	\$ (6,421)	\$ (12,955)	\$ (13,611)
Foreign currency forward contracts - Cost of sales	588	1,081	645	1,293
Total	\$ (2,521)	\$ (5,340)	\$ (12,310)	\$ (12,318)

Note 6. Financial Instruments and Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash, cash equivalents, trade accounts receivable, foreign exchange forward contracts, and interest rate swap agreements. The carrying value of assets such as cash, cash equivalents and accounts receivable is expected to approximate fair value due to the assets short duration. Foreign exchange forward contracts and interest rate swap agreements are recorded on the Company's balance sheets at fair value. The Company maintains the majority of its cash and cash equivalents with recognized financial institutions that follow the Company's investment policy, and has not experienced any significant losses on these investments to date. One of the Company's most significant credit risks is the ultimate realization of accounts receivable. This risk is mitigated by ongoing credit evaluations of, and frequent contact with, the Company's customers, especially its most significant customers, thus enabling it to monitor changes in business operations and respond accordingly. The Company generally does not require collateral for sales on credit. The Company considers these concentrations of credit risks when estimating its allowance for doubtful accounts.

A different customer represented 10% or more of the Company's net sales in each of 2012, 2011 and 2010. Two customers each represented 10% or more of the Company's gross accounts receivable in 2012 and one customer represented 10% or more of the Company's gross accounts receivable in 2011.

Note 7. Debt

Long-term debt consisted of the following:

	As of	
	September 29, 2012	October 1, 2011
	(In thousands)	
Senior Floating Rate Notes due 2014	\$ 257,410	\$ 257,410
Secured Debt due 2015	40,000	—
8.125% Senior Subordinated Notes due 2016	—	400,000
Senior Notes due 2019	500,000	500,000
Fair value adjustment (1)	39,954	24,898
Total long-term debt	<u>\$ 837,364</u>	<u>\$ 1,182,308</u>

(1) Represents fair value hedge accounting balance related to interest rate swaps. See Note 5 for discussion of interest rate swap entered into during the third quarter of 2011.

Senior Notes Due 2019. During 2011, the Company issued \$500.0 million aggregate principal amount of senior notes due 2019 (the "2019 Notes"). The 2019 Notes mature on May 15, 2019 and bear interest at an annual rate of 7%, payable semi-annually in arrears in cash. As of September 29, 2012, unamortized debt issuance costs of \$9.4 million are included in other non-current assets on the consolidated balance sheet and are being amortized to interest expense over the term of the 2019 Notes using the effective interest method.

The 2019 Notes are senior unsecured obligations and are fully and unconditionally guaranteed on a senior, unsecured basis by substantially all of the Company's domestic subsidiaries. The Company may redeem all or any portion of the 2019 Notes at any time prior to May 15, 2014, at par plus accrued and unpaid interest plus a make-whole premium. The Company may redeem all or any portion of the 2019 Notes beginning on or after May 15, 2014, at redemption prices ranging from 100% to 105.25% of the principal amount, plus accrued and unpaid interest. Following a change of control, as defined, each holder of the 2019 Notes shall have the right to require the Company to repurchase all or any portion of such holder's 2019 Notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest.

As discussed in Note 5, the Company entered into an interest rate swap to hedge its exposure to changes in the fair value of the 2019 Notes resulting from changes in interest rates. As of September 29, 2012, the fair value hedge accounting adjustment related to the 2019 Notes was \$40.0 million and has been recorded as an increase to long-term debt.

Senior Floating Rate Notes. In 2007, the Company issued \$300.0 million of Senior Floating Rate Notes due June 15, 2014 (the "2014 Notes"), \$42.6 million of which was repurchased in 2009.

The 2014 Notes bear interest equal to three-month LIBOR plus 2.75% and are senior unsecured obligations and rank equal in right of payment with all of the Company's existing and future senior unsecured debt. The Company may redeem the 2014 Notes, in whole or in part at par plus accrued and unpaid interest. As of September 29, 2012, unamortized debt issuance costs of \$1.7 million are included in other non-current assets on the consolidated balance sheet and are being amortized to interest expense over the life of the 2014 Notes using the effective interest method.

As discussed in Note 5, the Company has interest rate swap agreements with two independent counterparties to hedge its interest rate exposure on the 2014 Notes.

8.125% Senior Subordinated Notes. During 2006, the Company issued \$600.0 million of 8.125% Senior Subordinated Notes due 2016 (the "2016 Notes"). During 2012, the Company fully redeemed all remaining outstanding 2016 Notes. In connection with these redemptions, the Company recorded a loss on extinguishment of \$16.9 million, consisting of redemption premiums of \$10.9 million and a write-off of unamortized debt issuance costs of \$6.0 million.

None of the Company's notes have financial covenants, but do have covenants that limit the Company's ability 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 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 its assets. The restricted covenants are subject to a number of important exceptions and qualifications.

The indentures for the Company's notes provide for customary events of default, including payment defaults, breaches

[Table of Contents](#)

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 notes may declare all the notes to be due and payable immediately, together with any accrued and unpaid interest, if any. In the case of an event of default resulting from certain events of bankruptcy, insolvency or reorganization, such amounts with respect to the notes will be due and payable immediately without any declaration or other act on the part of the trustee or the holders of the notes. Additionally, 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 remaining outstanding of such debt at a purchase price of 101% of the principal amount, plus accrued and unpaid interest.

Secured Debt. During the fourth quarter of 2012, the Company borrowed \$40.0 million using its corporate campus as collateral. The loan matures in 2015, bears interest at LIBOR plus a spread or the bank's prime rate plus a spread, includes two one-year renewal options subject to bank approval and requires compliance with a fixed charge coverage ratio and customary covenants similar to those of the asset-backed lending facility discussed below.

Asset-backed Lending Facility. In 2009, the Company entered into a Loan, Guaranty and Security Agreement, among the Company, the financial institutions party thereto from time to time as lenders, and Bank of America, N.A., as agent for such lenders.

During the second quarter of 2012, the Company entered into an Amended and Restated Loan, Guaranty and Security Agreement (the "Loan Agreement"), among the Company, the financial institutions party thereto from time to time as lenders, and Bank of America, N.A., as agent for such lenders. The Loan Agreement amended and restated the Company's existing Loan, Guaranty and Security Agreement. The Company incurred \$2.7 million of debt issuance costs in connection with this amendment. Such costs are included in other non-current assets on the consolidated balance sheet and are being amortized to interest expense over the life of the facility on a straight-line basis.

The Loan Agreement provides for a \$300 million secured asset-backed revolving credit facility with a \$100 million letter of credit sublimit. The facility may be increased by an additional \$200.0 million upon obtaining additional commitments from the lenders then party to the Loan Agreement or new lenders. The Loan Agreement expires on earlier of (i) the date that is 90 days prior to the maturity date of the Company's 2014 Notes if such notes are not repaid, redeemed, defeased, refinanced or reserved for under the borrowing base under the Loan Agreement prior to such date, or (ii) March 16, 2017 (the "Maturity Date"). As of September 29, 2012, there were no borrowings outstanding, \$23.1 million in letters of credit were outstanding and the Company was eligible to borrow \$232.0 million.

Loans may be advanced under the Loan Agreement based on a borrowing base derived from specified percentages of the value of eligible accounts receivable and inventory. If at any time the aggregate principal amount of the loans outstanding plus the face amount of undrawn letters of credit under the Loan Agreement exceed the borrowing base then in effect, the Company must make a payment or post cash collateral (in the case of letters of credit) in an amount sufficient to eliminate such excess.

Loans under the Loan Agreement bear interest, at the Company's option, at a rate equal to LIBOR or a base rate equal to Bank of America, N.A.'s announced prime rate, in each case plus a spread. A commitment fee accrues on any unused portion of the commitments under the Loan Agreement at a rate per annum based on usage. Interest on loans is payable quarterly in arrears with respect to base rate loans and at the end of an interest period in the case of LIBOR loans. Principal, together with accrued and unpaid interest, is due on the Maturity Date.

The Company's obligations under the Loan Agreement are secured by (1) all U.S. and Canadian accounts receivable and all supporting obligations, chattel paper, documents and instruments in respect thereof or relating thereto; (2) all U.S. and Canadian deposit accounts (except accounts used for collections for certain transactions); (3) all U.S. and Canadian inventory; (4) the equity interests of each of the borrowers (except the Company) and the guarantors and the other equity interests owned directly by the borrowers and the guarantors, subject to limited exceptions; (5) all U.S. and Canadian promissory notes issued by the Designated Canadian Guarantors; (6) all U.S. and Canadian cash in any form; (7) all U.S. and Canadian accessions to, substitutions for, and all replacements, products, and cash and non-cash proceeds of the foregoing; and (8) all U.S. and Canadian books and records pertaining to the foregoing.

The Loan Agreement contains a financial covenant that was not applicable to us as of September 29, 2012, and customary 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 Loan Agreement contains customary negative covenants limiting the ability of the Company under certain circumstances, among other things, to use the facility to incur debt,

[Table of Contents](#)

make investments, acquisitions and certain restricted payments, and to sell assets. Upon an event of default, the lenders may declare all outstanding principal and accrued but unpaid interest under the Loan Agreement immediately due and payable. Events of default under the Loan Agreement include payment defaults, cross defaults with certain other indebtedness, breaches of covenants or representations and warranties, change in control of the Company and bankruptcy events.

Maturities of long-term debt as of September 29, 2012 were as follows:

	(In thousands)
2013	\$ —
2014	257,410
2015	40,000
2016	—
2017	—
Thereafter	500,000
Total	\$ 797,410

Short-term Debt

As of September 29, 2012, certain foreign subsidiaries of the Company had a total of \$128.0 million of short-term borrowing facilities, under which \$60.0 million was outstanding. Borrowing under these facilities bear interest at a rate equal to LIBOR plus a spread. These facilities expire at various dates through the end of 2013.

As of September 29, 2012, the Company was in compliance with all covenants related to its long-term debt instruments, asset backed lending facility and short-term debt facilities.

Note 8. Commitments and Contingencies

Operating Leases. The Company leases certain of its facilities and equipment under non-cancellable operating leases expiring at various dates through 2042. The Company is responsible for utilities, maintenance, insurance and property taxes under these leases. Future minimum lease payments, net of sublease income, under operating leases are as follows:

	(In thousands)
2013	\$ 26,165
2014	16,809
2015	11,652
2016	9,559
2017	8,986
Thereafter	30,221
Total	\$ 103,392

Rent expense, net of sublease income, under operating leases was \$32.9 million, \$29.8 million and \$24.7 million for 2012, 2011 and 2010, respectively.

Litigation and other contingencies. From time to time, the Company is a party to litigation, claims and other contingencies, including environmental and employee matters and examinations and investigations by governmental agencies, which arise in the ordinary course of business. The Company cannot predict what effect these matters may have on its results of operations, financial condition or cash flows. Refer to "Item 3-Legal Proceedings".

The Company records a contingent liability when it is probable that a loss has been incurred and the amount of loss is reasonably estimable in accordance with ASC Topic 450, *Contingencies* or other applicable accounting standards. As of September 29, 2012 and October 1, 2011, the Company had accrued liabilities of \$18.5 million and \$18.9 million, respectively, for environmental matters, litigation and other contingencies, not including reserves for uncertain tax positions, which the Company believes is adequate. As of September 29, 2012, the Company is a party to a regulatory agency order with respect to a former site and has recorded a liability for this matter, representing the Company's current estimate of the costs required to

[Table of Contents](#)

assess and remediate the site. The Company believes it is reasonably possible that it will incur additional costs related to this matter, but cannot reasonably estimate such amount at this time. Such reserves are included in accrued liabilities and other long-term liabilities on the consolidated balance sheet.

The Company is subject to various federal, state, local and foreign laws and regulations concerning environmental protection, including those addressing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites, the materials used in products, and the recycling, treatment and disposal of materials. As of September 29, 2012, the Company had been named in a lawsuit alleging certain of its current and former sites contributed to groundwater contamination. Although it is reasonably possible that the Company may incur a loss in connection with this matter, the amount of loss or range of loss cannot be reasonably estimated.

As of September 29, 2012, the Company had approximately \$10.0 million of exposure, consisting primarily of inventory, with a certain customer that is experiencing financial difficulties. The Company and the customer are in the process of negotiating a payment plan and inventory consumption plan and the customer has been making payments. If the Company is unable to negotiate a sufficient plan or if the customer is unable to meet its obligations under a plan, the Company may incur a loss related primarily to uncollectible accounts receivable and inventory write-downs. The Company is monitoring this situation closely and expects key developments to occur in the first half of 2013.

Note 9. Income Taxes

Domestic and foreign components of income (loss) before income taxes were as follows:

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
	(In thousands)		
Domestic	\$ (7,548)	\$ 42,136	\$ 60,668
Foreign	57,491	57,402	78,574
Total	<u>\$ 49,943</u>	<u>\$ 99,538</u>	<u>\$ 139,242</u>

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

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
	(In thousands)		
Federal:			
Current	\$ (3,223)	\$ —	\$ —
Deferred	(154,292)	—	—
State:			
Current	(124)	1,009	1,656
Deferred	(4,408)	—	—
Foreign:			
Current	28,928	31,749	11,766
Deferred	2,828	(2,137)	3,385
Total provision (benefit from) for income taxes	<u>\$ (130,291)</u>	<u>\$ 30,621</u>	<u>\$ 16,807</u>

[Table of Contents](#)

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, 2012	October 1, 2011
(In thousands)		
Deferred tax assets:		
U.S. net operating loss carryforwards	\$ 472,086	\$ 476,802
Foreign net operating loss carryforwards	152,462	131,174
Acquisition related intangibles	91,972	101,661
Accruals not currently deductible	45,102	41,027
Property, plant and equipment	26,906	30,704
Tax credit carryforwards	24,478	25,846
Reserves not currently deductible	24,209	26,256
Stock compensation expense	14,664	8,874
Unrealized losses on derivative financial instruments	14,089	14,238
Other	550	439
Valuation allowance	(671,891)	(818,266)
Total deferred tax assets	194,627	38,755
Deferred tax liabilities on foreign earnings	(22,053)	(22,053)
Net deferred tax assets	\$ 172,574	\$ 16,702
Recorded as:		
Current deferred tax assets	\$ 19,721	\$ 8,516
Non-current deferred tax assets	152,853	11,155
Non-current deferred tax liabilities	—	(2,969)
Net deferred tax assets	\$ 172,574	\$ 16,702

The Company offsets current deferred tax assets and liabilities and non-current deferred tax assets and liabilities by tax-paying jurisdiction. The resulting net amounts by tax jurisdiction are then aggregated without further offset.

Prior to 2012, based on historical evidence (primarily cumulative losses), the Company has a valuation allowance against certain deferred tax assets in the U.S. and foreign jurisdictions. A valuation allowance is required to be established or maintained when, based on currently available information and other factors, it is more likely than not that all or a portion of the deferred tax assets will not be realized. The Company assesses its valuation allowance against deferred tax assets on a regular and periodic basis. The Company considers all available positive and negative evidence, including future reversals of temporary differences, projected future taxable income, tax planning strategies and recent financial results. During the fourth quarter of this year, the Company concluded that it was more likely than not that it would be able to realize the benefit of a portion of its deferred tax assets in the future. The Company based this conclusion on recent historical book and taxable income, recent global restructuring and projections of future operating income. As a result, the Company released \$158.7 million of the valuation allowance attributable to certain US deferred tax assets .

As of September 29, 2012, U.S. income taxes have not been provided for approximately \$446.1 million of cumulative undistributed earnings of several non-U.S. subsidiaries. The Company intends to reinvest these earnings indefinitely in operations outside of the U.S. Determination of the amount of unrecognized deferred tax liabilities on these undistributed earnings is not practicable.

As of September 29, 2012, the Company has cumulative net operating loss carryforwards for federal, state and foreign tax purposes of \$1,252.0 million, \$999.2 million and \$501.4 million, respectively. The federal and state net operating loss carryforwards begin expiring in 2023 and 2012, respectively, and expire at various dates through 2029. Substantially all of the foreign net operating loss carryforwards may be carried forward indefinitely. 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. As of September 29, 2012, the Company had \$6.8 million of federal net operating losses subject to an annual limitation and may utilize approximately \$1.7 million of these net operating losses each

[Table of Contents](#)

year. Additionally, the utilization of certain foreign net operating losses may be restricted due to changes in ownership and business operations.

The Company has been granted tax holidays for certain of its subsidiaries in Singapore, Thailand, China and India. Tax benefits arising from these tax holidays were \$3.1 million for 2012 (\$0.04 per diluted shares), \$3.6 million for 2011 (\$0.04 per diluted share) and \$3.8 million for 2010 (\$0.05 per diluted share). The tax holiday in Singapore expired in 2012 and tax holidays in the other countries expire through 2019, 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 Company's effective tax rate:

	As of		
	September 29, 2012	October 1, 2011	October 2, 2010
Federal tax at statutory rate	35.00 %	35.00 %	35.00 %
Effect of foreign operations	21.73	9.57	(8.87)
Foreign income inclusion	10.48	0.25	1.11
Change in valuation allowance	(6.74)	(16.97)	(17.16)
Permanent items	3.11	1.90	0.80
Change to other comprehensive income	(6.64)	—	—
Release of valuation allowance	(317.76)	—	—
State income taxes, net of federal benefit	(0.06)	1.01	1.19
Provision for income taxes	<u>(260.88)%</u>	<u>30.76 %</u>	<u>12.07 %</u>

A reconciliation of the beginning and ending amount of total unrecognized tax benefits, excluding accrued penalties and interest, is as follows:

	Year Ended	
	September 29, 2012	October 1, 2011
	(In thousands)	
Balance, beginning of year	\$ 41,482	\$ 34,997
Increase related to prior year tax positions	10,125	4,324
Decrease related to prior year tax positions	(320)	(2,811)
Increase related to current year tax positions	3,133	5,337
Settlement	(196)	—
Decrease related to lapse of statute of limitations	—	(365)
Balance, end of year	<u>\$ 54,224</u>	<u>\$ 41,482</u>

The total balance of unrecognized tax benefits at September 29, 2012, if recognized, would affect the effective tax rate on income.

As of September 29, 2012, the Company had reserves of \$25.2 million for the payment of interest and penalties relating to unrecognized tax benefits. The Company accrued interest and penalties related to unrecognized tax benefits of \$5.6 million in 2012, \$2.7 million in 2011, and \$3.9 million in 2010. The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense.

The Company conducts business globally and, as a result, files income tax returns in the United States federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world. During this current year, the Company was informed by the Internal Revenue Service that its returns for tax years 2008 through 2010 were being examined.

In general, the Company is no longer subject to United States federal or state income tax examinations for years before 2003, and to foreign examinations for years prior to 2002 in its major foreign jurisdictions. Although the timing of the resolution of audits is highly uncertain, it is reasonably possible that the balance of gross unrecognized tax benefits could

[Table of Contents](#)

significantly change in the next 12 months. However, given the number of years subject to audit and the number of matters being examined, the Company is unable to estimate the full range of possible adjustments to the balance of gross unrecognized tax benefits.

Note 10. Restructuring Costs

Restructuring Plans - 2012

In 2012, the Company initiated restructuring plans related to plant closures and business reorganizations. Costs associated with these plans are expected to be \$23.4 million and to include employee severance, costs related to leased facilities, asset impairment charges and other exit costs. In connection with actions taken to date under these plans, the Company recorded employee termination benefits of \$11.6 million for approximately 2,150 employees, \$0.5 million of costs related to leased facilities and \$3.5 million of asset impairment charges. These plans are expected to be completed within the next year. As of September 29, 2012, \$10.3 million of severance remains payable and is expected to be paid in 2013.

Below is a summary of restructuring costs associated with facility closures and other consolidation efforts that were implemented in 2012:

	Employee Termination / Severance and Related Benefits	Leases and Facility Shutdown and Consolidation Costs	Total
(In thousands)			
Balance at October 1, 2011	\$ —	\$ —	\$ —
Charges to operations	11,618	4,027	15,645
Charges utilized	(1,317)	(4,027)	(5,344)
Balance at September 29, 2012	<u>\$ 10,301</u>	<u>\$ —</u>	<u>\$ 10,301</u>

Restructuring Plans — Prior to 2012

Due to completion of all actions under restructuring plans initiated prior to 2012 and immateriality of the remaining accrual balance related to such plans, these plans have been combined for disclosure purposes. The Company expects to pay the majority of accrued restructuring costs by the end of 2013. In connection with these plans, the Company expects to incur restructuring costs in future periods associated primarily with vacant facilities until such time as those facilities have been sold or leased to third parties.

Below is a summary of restructuring costs associated with facility closures and other consolidation efforts that were implemented prior to 2012:

	Employee Termination / Severance and Related Benefits	Leases and Facility Shutdown and Consolidation Costs	Total
(In thousands)			
Balance at October 3, 2009	\$ 10,755	\$ 3,645	\$ 14,400
Charges to operations	7,873	16,320	24,193
Charges utilized	(11,104)	(18,586)	(29,690)
Reversal of accrual	(2,094)	(277)	(2,371)
Balance at October 2, 2010	5,430	1,102	6,532
Charges to operations	9,041	19,683	28,724
Charges utilized	(8,144)	(19,369)	(27,513)
Balance at October 1, 2011	6,327	1,416	7,743
Charges to operations	827	14,465	15,292
Charges utilized	(5,776)	(12,568)	(18,344)
Balance at September 29, 2012	<u>\$ 1,378</u>	<u>\$ 3,313</u>	<u>\$ 4,691</u>

[Table of Contents](#)

Costs incurred with respect to facilities consist primarily of 1) costs to maintain vacant facilities that are owned until such facilities can be sold and 2) the portion of the Company's lease payments that have not been recovered due to the absence of sublease income for vacant lease properties.

During 2012, in connection with restructuring plans initiated in 2011 or earlier, the Company recorded restructuring charges for severance and related benefits for 2 terminated employees. During 2011, the Company recorded restructuring charges for severance and related benefits for approximately 230 terminated employees and initiated the closure or consolidation of 2 facilities. During 2010, the Company recorded restructuring charges for severance and related benefits for approximately 950 terminated employees and initiated the closure or consolidation of 6 facilities.

Restructuring costs for the Company's IMS segment were \$19.7 million for 2012, \$16.2 million for 2011 and \$6.4 million for 2010.

Note 11. Earnings Per Share

Basic and diluted earnings per share are calculated by dividing net income by the weighted average number of shares of common stock outstanding during the period, as follows:

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
(In thousands, except per share amounts)			
Numerator:			
Net income	\$ 180,234	\$ 68,917	\$ 122,435
Denominator:			
Weighted average shares used in computing per share amount:			
Basic	81,284	80,345	79,195
Diluted	83,495	83,158	82,477
Net income per share:			
Basic	\$ 2.22	\$ 0.86	\$ 1.55
Diluted	\$ 2.16	\$ 0.83	\$ 1.48

The following table presents weighted-average dilutive securities that were excluded from the above calculation because their inclusion would have had an anti-dilutive effect:

	As of		
	September 29, 2012	October 1, 2011	October 2, 2010
(In thousands)			
Potentially dilutive securities:			
Employee stock options	7,937	6,839	6,078
Restricted stock units	369	241	25
Total	8,306	7,080	6,103

As of September 29, 2012, the Company's outstanding stock options and restricted stock units noted above were anti-dilutive under ASC Topic 260, *Earnings Per Share*, because application of the treasury stock method resulted in an anti-dilutive effect.

Note 12. Stock-Based Compensation

Stock-based compensation expense was as follows:

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
	(In thousands)		
Cost of sales	\$ 4,504	\$ 4,730	\$ 5,452
Selling, general & administrative	13,363	13,070	9,808
Research & development	132	182	(93)
Restructuring	—	914	—
Total	\$ 17,999	\$ 18,896	\$ 15,167

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
	(In thousands)		
Stock options	\$ 10,084	\$ 13,293	\$ 12,818
Restricted stock units	7,915	5,603	2,349
Total	\$ 17,999	\$ 18,896	\$ 15,167

Stock Options

The Company's stock option plans provide 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 four to five years. The contractual term of all options is ten years. The Company recognizes compensation expense ratably over the service period.

Assumptions used to estimate the fair value of stock options granted were as follows:

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
Volatility	85.8%	84.8%	81.6%
Risk-free interest rate	0.85%	1.6%	2.2%
Dividend yield	—	—	—
Expected life of options	5.0	5.0	5.0

[Table of Contents](#)

Stock option activity was as follows:

	<u>Number of Shares</u>	<u>Weighted-Average Exercise Price</u>	<u>Weighted-Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value of In-The- Money Options</u>
	(In thousands)	(\$)	(Years)	(In thousands)
Outstanding, October 3, 2009	11,106	16.00	8.11	26,008
Granted	1,414	10.06		
Exercised/Cancelled/Forfeited/Expired	(1,442)	22.51		
Outstanding, October 2, 2010	11,078	14.39	7.44	35,417
Granted	1,875	13.15		
Exercised/Cancelled/Forfeited/Expired	(2,031)	16.18		
Outstanding, October 1, 2011	10,922	13.85	6.89	14,195
Granted	1,775	9.61		
Exercised/Cancelled/Forfeited/Expired	(1,422)	14.08		
Outstanding, September 29, 2012	11,275	13.15	6.54	18,548
Vested and expected to vest, September 29, 2012	10,837	13.27	6.44	18,236
Exercisable, September 29, 2012	7,600	14.89	5.61	13,814

The weighted-average grant date fair value of stock options granted during 2012, 2011 and 2010 was \$6.44, \$8.66, and \$6.61, respectively. The aggregate intrinsic value in the preceding table represents the total pre-tax intrinsic value of in-the-money options that would have been received by the option holders had all option holders exercised their options at the Company's closing stock price on the date indicated.

As of September 29, 2012, unrecognized expense related to stock options was \$21.3 million, and is expected to be recognized over a weighted average period of 2.4 years.

Restricted Stock Units

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

The weighted-average grant date fair value of restricted stock units granted was \$6.16, \$12.69 and \$9.80 in 2012, 2011 and 2010, respectively. As of September 29, 2012, unrecognized compensation expense related to restricted stock units was approximately \$9.7 million, and is expected to be recognized over a weighted-average period of 1.3 years.

[Table of Contents](#)

Activity with respect to the Company's restricted stock units was as follows:

	Number of Shares	Weighted Grant- Date Fair Value Per Share	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
	(In thousands)	(\$)	(Years)	(In thousands)
Outstanding, October 3, 2009	737	16.17	0.41	6,494
Granted	996	9.80		
Vested/Cancelled	(795)	15.66		
Outstanding, October 2, 2010	938	9.78	2.12	10,200
Granted	1,317	12.69		
Vested/Cancelled	(417)	11.87		
Outstanding, October 1, 2011	1,838	11.42	1.63	14,249
Granted	790	6.16		
Vested/Cancelled	(398)	11.69		
Outstanding, September 29, 2012	2,230	9.51	1.08	21,272
Expected to vest, September 29, 2012	1,955	9.40	0.98	18,651

Note 13. Stockholders' Equity

In 2009, the Company's stockholders approved the 2009 Incentive Plan ("2009 Plan") and the reservation of 7.5 million shares of common stock for issuance thereunder, which was subsequently increased to 14.7 million shares. The 2009 Plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units, and performance shares. The per share exercise price for shares to be issued pursuant to exercise of an option must be no less than 100% of the fair market value per share on the date of grant.

Upon approval of the 2009 Plan, all of the Company's other stock plans were terminated as to future grants. Although these plans have been terminated, they will continue to govern all awards granted under them until the expiration of the awards.

As of September 29, 2012, an aggregate of 16.4 million shares were authorized for future issuance under the Company's stock option and restricted stock plans, of which 2.9 million shares of common stock were available for future grant under these plans. Awards other than stock options and stock appreciation rights reduce common stock available for grant by 1.36 shares for every share of common stock subject to such an award. Awards under the 2009 plan that expire or are cancelled without delivery of shares generally become available for issuance under the plan.

Stock option activity under the Company's option plans during 2012, 2011 and 2010 is disclosed in Note 12. Stock-Based Compensation.

[Table of Contents](#)

The following table summarizes information regarding stock options outstanding at September 29, 2012:

Range of Weighted Exercise Prices	Options Outstanding			Options Vested and Exercisable	
	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price (\$)	Number Exercisable	Weighted Average Exercise Price (\$)
	(In thousands)			(In thousands)	
\$1.50-\$2.94	1,023	6.26	2.40	931	2.46
\$2.95-\$4.45	1,786	6.77	4.45	1,233	4.45
\$4.46-\$8.79	2,238	6.79	8.65	983	8.68
\$8.80-\$11.23	1,734	8.63	10.61	518	10.44
\$11.24-\$15.91	1,706	6.84	13.90	1,191	13.28
\$15.92-\$21.12	1,616	4.82	20.81	1,572	20.91
\$21.13-\$83.10	1,172	2.85	36.52	1,172	36.52
\$1.50-\$83.10	11,275	6.54	13.15	7,600	14.89

Accumulated Other Comprehensive Income. Accumulated other comprehensive income, net of tax as applicable, consisted of the following:

	As of	
	September 29, 2012	October 1, 2011
	(In thousands)	
Foreign currency translation adjustments	\$ 107,720	\$ 110,263
Unrealized holding losses on derivative financial instruments	(25,510)	(31,984)
Unrecognized net actuarial loss and unrecognized transition cost	(18,731)	(7,541)
Total	\$ 63,479	\$ 70,738

Note 14. Other Income (Expense), Net

The following table summarizes the major components of other income (expense), net (in thousands):

	Year ended		
	September 29, 2012	October 1, 2011	October 2, 2010
Foreign exchange gains (losses)	\$ (4,144)	\$ 435	\$ (2,490)
Gain from investments	—	—	3,680
Litigation settlement	—	—	35,556
Other, net	3,853	457	4,792
Total	\$ (291)	\$ 892	\$ 41,538

The Company reduces its exposure to currency fluctuations through the use of foreign currency hedging instruments, however, hedges are established based on forecasts of foreign currency transactions. To the extent actual amounts differ from forecasted amounts, the Company will have exposure to currency fluctuations, resulting in foreign exchange gains or losses.

Note 15. Employee Benefit Plans

The Company has various defined contribution retirement plans that cover the majority of its domestic employees. These retirement plans permit participants to elect to have contributions made to the retirement plans in the form of salary deferrals. The Company made no contributions to these plans in 2012, 2011 or 2010.

The Company sponsors deferred compensation plans for eligible employees and non-employee members of its board of directors. These plans allow eligible participants to defer payment of all or part of their compensation. Deferrals under these

[Table of Contents](#)

plans were \$1.2 million and \$1.9 million for 2012 and 2011, respectively. As of September 29, 2012 and October 1, 2011, approximately \$10.0 million of assets and liabilities associated with these plans were recorded in other non-current assets and other long-term liabilities in the consolidated balance sheets.

Prior to its merger with Sanmina Corporation in December 2001, SCI Systems had defined benefit pension plans covering substantially all employees in the United States and Brockville, Ontario, Canada. These plans generally provided pension benefits that are based on compensation levels and years of service. Annual contributions to the plans were made according to the established laws and regulations of the applicable countries and were funded annually at amounts that approximated the maximum deductible for income taxes. Upon the merger between Sanmina Corporation and SCI Systems, benefits were calculated and frozen. Employees who had not yet vested will continue to be credited with service until vesting occurs, but no additional benefits will accrue.

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 and regulations. The measurement date for the Company's pension plans is September 29, 2012.

Changes in benefit obligations for the plans described above were as follows (in thousands):

Change in Benefit Obligations	As of September 29, 2012		As of October 1, 2011		As of October 2, 2010	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Beginning projected benefit obligation	\$ 26,885	\$ 25,396	\$ 27,302	\$ 29,346	\$ 28,089	\$ 26,110
Service cost	—	666	—	599	—	396
Interest cost	1,027	1,388	1,050	1,382	1,364	1,213
Actuarial (gain) loss	4,121	9,729	656	(5,891)	2,128	6,598
Benefits paid	(2,432)	(722)	(2,123)	(723)	(4,279)	(773)
Settlement / Curtailment	—	—	—	—	—	(1,252)
Other (1)	—	(1,286)	—	683	—	(2,946)
Ending projected benefit obligation	<u>\$ 29,601</u>	<u>\$ 35,171</u>	<u>\$ 26,885</u>	<u>\$ 25,396</u>	<u>\$ 27,302</u>	<u>\$ 29,346</u>
Ending accumulated benefit obligation	<u>\$ 29,601</u>	<u>\$ 31,917</u>	<u>\$ 26,885</u>	<u>\$ 23,374</u>	<u>\$ 27,302</u>	<u>\$ 27,871</u>

(1) Related to fluctuations in exchange rates between foreign currencies and the U.S. dollar.

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

	U.S. Pensions		Non-U.S. Pensions	
	As of		As of	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Discount rate	2.75%	4.00%	4.39%	5.80%
Rate of compensation increases	—%	—%	0.97%	0.82%

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 measure 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.

Changes in plan assets and funded status for the plans described above were as follows (in thousands):

Change in Plan Assets	As of September 29, 2012		As of October 1, 2011		As of October 2, 2010	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Beginning fair value	\$ 18,809	\$ 26,087	\$ 19,216	\$ 26,771	\$ 20,164	\$ 17,315
Actual return	2,466	1,144	892	1,249	2,661	882
Employer contributions	1,600	295	824	294	670	11,327
Benefits paid	(2,432)	(722)	(2,123)	(723)	(4,279)	(773)
Actuarial loss	—	(463)	—	(1,533)	—	(871)
Other (1)	—	(1,488)	—	29	—	(1,109)
Ending fair value	\$ 20,443	\$ 24,853	\$ 18,809	\$ 26,087	\$ 19,216	\$ 26,771
Over (under) Funded Status	\$ (9,158)	\$ (10,318)	\$ (8,076)	\$ 691	\$ (8,086)	\$ (2,575)

(1) Related to fluctuations in exchange rates between foreign currencies and the US dollar.

Weighted-average asset allocations by asset category for the U.S. and non-U.S. plans were as follows:

	U.S.			Non-U.S.		
	Level 1			Level 1		
	As of			As of		
	Target	September 29, 2012	October 1, 2011	Target	September 29, 2012	October 1, 2011
Equity securities	51%	52.6%	48.9%	20%	25.2%	19.0%
Debt securities	49%	47.4%	51.1%	80%	73.4%	80.7%
Cash	—%	—%	—%	—%	1.4%	0.3%
Total	100%	100%	100%	100%	100%	100%

In 2010, the Company adopted ASC Topic 715, *Compensation- Retirement Benefits*, and is required to disclose information about investment policies and strategies, categories of plan assets, fair value measurement of plan assets and significant concentrations of credit risk. The Company's investment strategy is designed to ensure that sufficient pension assets are available to pay benefits as they become due. In order to meet this objective, the Company has established targeted investment allocation percentages for equity and debt securities as noted in the preceding table. As of September 29, 2012, U.S plan assets are invested in the following SEC registered mutual funds: Core Fixed Income Fund, S&P 500 Index Fund, World Equity ex-US Fund, High Yield Bond Fund, and Emerging Market Debt Fund. These mutual funds are valued based on the net asset value (NAV) of the underlying securities in an active market, which is considered a Level 1 input under ASC Topic 820, *Fair Value Measurements and Disclosures* (refer to Note 5). The beneficial interest of each participant is represented in units which are issued and redeemed daily at the fund's closing NAV. Non-U.S plan assets are invested in publicly-traded mutual funds consisting of medium-term Euro bonds and stocks of companies in the European region. The mutual funds are valued

[Table of Contents](#)

using the NAV that is quoted in an active market and is considered a Level 1 input under ASC Topic 820. The plans are managed consistent with regulations or market practice of the country in which the assets are invested. As of September 29, 2012 there were no significant concentrations of credit risk related to pension plan assets.

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, 2012		As of October 1, 2011		As of October 2, 2010	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Over (under) Funded Status at Year End	\$ (9,158)	\$ (10,318)	\$ (8,076)	\$ 691	\$ (8,086)	\$ (2,575)
Unrecognized transition obligation	—	55	—	76	—	106
Unrecognized net actuarial (gain) loss	10,674	8,631	9,822	(1,706)	10,427	2,647
Net amount recognized in Consolidated Balance Sheet	\$ 1,516	\$ (1,632)	\$ 1,746	\$ (939)	\$ 2,341	\$ 178
Components of Net Amount Recognized in Consolidated Balance Sheet:						
Non-current assets	\$ —		\$ —	\$ 4,412	\$ —	\$ —
Current liabilities	—	(395)	—	(286)	—	(263)
Non-current liabilities	(9,158)	(9,923)	(8,076)	(3,435)	(8,086)	(2,312)
Accumulated other comprehensive income	10,674	8,686	9,822	(1,630)	10,427	2,753
Net asset (liability) recognized in Consolidated Balance Sheet	\$ 1,516	\$ (1,632)	\$ 1,746	\$ (939)	\$ 2,341	\$ 178

Estimated amortization from accumulated other comprehensive income into net periodic benefit cost in 2013 is as follows (in thousands):

	U.S.	Non-U.S.
Amortization of actuarial loss	\$ 1,071	\$ 328
Amortization of transition obligation	—	23
Total	\$ 1,071	\$ 351

[Table of Contents](#)

Components of net periodic benefit costs were as follows (in thousands):

	As of September 29, 2012		As of October 1, 2011		As of October 2, 2010	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Service cost	\$ —	\$ 666	\$ —	\$ 599	\$ —	\$ 396
Interest cost	1,027	1,388	1,050	1,382	1,364	1,213
Return on plan assets	(784)	(1,145)	(1,162)	(1,249)	(1,244)	(882)
Settlement charge	635	—	532	—	1,382	(1,041)
Amortization of:						
Actuarial (gain) or loss	951	26	1,000	78	1,201	(190)
Transition obligation	—	23	—	23	—	24
Net periodic benefit cost	\$ 1,829	\$ 958	\$ 1,420	\$ 833	\$ 2,703	\$ (480)

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

	U.S. Pensions		Non-U.S. Pensions	
	As of		As of	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Discount rate	4.00%	4.00%	5.80%	4.64%
Expected return on plan assets	4.25%	6.25%	4.80%	4.70%
Rate of compensation increases	—%	—%	0.82%	0.38%

The expected long-term rate of return on assets for the U.S. and non-U.S pension plans used in these calculations is assumed to be 4.25% and 4.80%, respectively. Several factors, including historical rates of returns, expectations of future returns for each major asset class in which the plan invests, the weight of each asset class in the target mix, the correlations between asset classes and their expected volatilities are considered in developing the asset return assumptions.

Estimated future benefit payments are as follows:

	Pension Benefits (In thousands)
2013	\$ 6,950
2014	\$ 4,010
2015	\$ 3,897
2016	\$ 3,762
2017	\$ 3,646
Years 2018 through 2021	\$ 18,975

Note 16. Business Segment, Geographic and Customer Information

ASC Topic 280, *Segment Reporting*, 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 and evaluated regularly by the chief operating decision maker or decision making group in deciding how to allocate resources and in assessing performance.

Prior to the fourth quarter of 2012, the Company was managed as a single business - Electronic Manufacturing Services. Effective in the fourth quarter of 2012, the Company decided to change the way it managed the business in order to place more emphasis on components, products and services requiring advanced technologies and / or addressing mission-critical applications. As a result, the Company's operations are managed as two businesses:

- 1) Integrated Manufacturing Solutions (IMS), which is a single operating segment consisting of printed circuit board assembly and test, optical and RF (Radio Frequency) modules, final system assembly and test, and direct order fulfillment.
- 2) Components, Products and Services (CPS), consisting of Components, which includes interconnect systems (printed circuit board fabrication and backplane and cable assemblies) and mechanical systems (enclosures, precision machining and plastic injection molding); Products, which includes memory and SSD products from Viking Technology; products from SCI Technology for use in the defense and aerospace industry and storage products from Newisys; and Services, which includes design, engineering, logistics and repair services.

The Company evaluated its operating segments to determine whether they can be aggregated into reportable segments. Factors considered in this evaluation were similarity regarding economic characteristics, products, production processes, type or classes of customers, distribution methods and regulatory environments. Based on this evaluation, the Company determined that it has only one reportable segment - IMS, which generated 81% of the Company's net sales in 2012. The Company's CPS business consists of multiple operating segments which do not meet the quantitative threshold for being presented as reportable segments. Therefore, financial information for these operating segments will be presented in a single category entitled "Components, Products and Services (CPS)".

The Company's chief operating decision maker is the Chief Executive Officer and Chief Financial Officer and they allocate resources and assess performance of operating segments based on a non-GAAP measure of revenue and gross profit that excludes items not directly related to the Company's ongoing business operations. These items are typically either non-recurring or non-cash in nature.

The accounting policies for each segment are the same as those disclosed by the Company for its consolidated financial statements. Intersegment sales consist primarily of sales of components to IMS.

The following table presents information for the following fiscal years:

[Table of Contents](#)

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
(In thousands)			
Gross sales:			
IMS	\$ 4,975,156	\$ 5,349,225	\$ 5,021,818
CPS	1,259,052	1,405,833	1,431,533
Intersegment revenue	(140,874)	(152,647)	(134,660)
Net Sales	<u>\$ 6,093,334</u>	<u>\$ 6,602,411</u>	<u>\$ 6,318,691</u>
Gross Profit:			
IMS	\$ 327,094	\$ 374,763	\$ 377,099
CPS	113,621	137,854	115,350
Total	<u>440,715</u>	<u>512,617</u>	<u>492,449</u>
Unallocated items (1)	(4,933)	(2,266)	(9,459)
Total	<u>\$ 435,782</u>	<u>\$ 510,351</u>	<u>\$ 482,990</u>
Depreciation and amortization:			
IMS	\$ 54,815	\$ 57,229	\$ 48,309
CPS	35,537	34,220	31,684
Total	<u>90,352</u>	<u>91,449</u>	<u>79,993</u>
Unallocated corporate items (2)	9,125	13,122	9,580
Total	<u>\$ 99,477</u>	<u>\$ 104,571</u>	<u>\$ 89,573</u>
Capital expenditures:			
IMS	\$ 39,962	\$ 57,478	\$ 68,449
CPS	40,150	36,844	29,578
Total	<u>80,112</u>	<u>94,322</u>	<u>98,027</u>
Unallocated corporate items (2)	1,787	3,751	6,214
Total	<u>\$ 81,899</u>	<u>\$ 98,073</u>	<u>\$ 104,241</u>

(1) Represents amounts associated with items that management excludes from its measure of gross profit. These items include stock-based compensation expense, amortization of intangible assets, charges or credits resulting from distressed customers and similar items that either occur infrequently or are of a non-operational nature.

(2) Primarily related to selling, general and administration functions.

	As of	
	September 29, 2012	October 1, 2011
(In thousands)		
Long-lived assets (including assets held for sale):		
IMS	\$ 330,585	\$ 327,783
CPS	194,646	189,414
Total	525,231	517,197
Unallocated corporate items (1)	54,346	84,825
Total	\$ 579,577	\$ 602,022

(1) Primarily related to selling, general and administration functions.

Information by geographic segment, determined based on the country in which a product is manufactured or a service is provided, was as follows:

	Year Ended		
	September 29, 2012	October 1, 2011	October 2, 2010
(In thousands)			
Net sales:			
Domestic	\$ 1,106,446	\$ 1,199,077	\$ 1,324,856
Mexico	1,296,690	1,273,583	1,259,230
China	1,667,095	1,792,933	1,805,395
Other international	2,023,103	2,336,818	1,929,210
Total	\$ 6,093,334	\$ 6,602,411	\$ 6,318,691
Percentage of net sales represented by ten largest customers	49.7%	49.9%	49.9%
Number of customers representing 10 % or more of net sales	1	1	1

	As of	
	September 29, 2012	October 1, 2011
(In thousands)		
Long-lived assets (including assets held for sale):		
Domestic	\$ 163,443	\$ 170,264
Mexico	119,032	111,964
China	89,175	89,111
Other international	207,927	230,683
Total	\$ 579,577	\$ 602,022

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

None.

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 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

[Table of Contents](#)

control over financial reporting as of September 29, 2012. 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). Our management has concluded that, as of September 29, 2012, our internal control over financial reporting was effective based on the COSO criteria. The effectiveness of our internal control over financial reporting as of September 29, 2012 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included in Item 8 of this Annual Report on Form 10-K.

(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) that occurred during the quarter ended September 29, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(c) Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures will prevent all error and all fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that their objectives are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits of disclosure controls and procedures must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of disclosure controls and procedures can provide absolute assurance that all disclosure control issues and instances of fraud, if any, within the Company have been detected. Nonetheless, our Chief Executive Officer and Chief Financial Officer have concluded that, as of September 29, 2012, (1) our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and (2) our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported as and when required, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding its required disclosure.

Item 9B. Other Information

Effective November 15, 2012, Sanmina-SCI Corporation amended Article I of its Restated Certificate of Incorporation and its bylaws solely to change the corporate name from "Sanmina-SCI Corporation" to "Sanmina Corporation".

PART III

The information called for by Items 10, 11, 12, 13 and 14 of Part III are incorporated by reference from our definitive Proxy Statement to be filed in connection with our 2013 Annual Meeting of Stockholders pursuant to Regulation 14A, except that the information regarding our 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 under Item 8 hereof as part of this report:

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	53
Financial Statements:	
Consolidated Balance Sheets, As of September 29, 2012 and October 1, 2011	54
Consolidated Statements of Income, Years Ended September 29, 2012, October 1, 2011 and October 2, 2010	55
Consolidated Statements of Comprehensive Income, Years Ended September 29, 2012, October 1, 2011 and October 2, 2010	56
Consolidated Statements of Stockholders' Equity, Years Ended September 29, 2012, October 1, 2011 and October 2, 2010	57
Consolidated Statements of Cash Flows, Years Ended September 29, 2012, October 1, 2011 and October 2, 2010	58
Notes to Consolidated Financial Statements	59

- (2) **Financial Statement Schedules.** The following financial statement schedule of Sanmina Corporation is filed as part of this report on Form 10-K immediately after the signature pages hereto 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 Item 15(b) immediately below.

(b) **Exhibits**

[Table of Contents](#)

Exhibit Number	Description
3.1(1)	Restated Certificate of Incorporation of the Registrant, dated January 31, 1996.
3.2(2)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, dated March 9, 2001.
3.3(3)	Certificate of Designation of Rights, Preferences and Privileges of Series A Participating Preferred Stock of the Registrant, dated May 31, 2001.
3.4(4)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, dated December 7, 2001.
3.5(5)	Amended and Restated Bylaws of the Registrant adopted by the Board of Directors on December 1, 2008.
3.6(6)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, as amended, dated July 27, 2009.
3.7	Certificate of Ownership and Merger as filed with the Secretary of State of the State of Delaware and effective November 15, 2012 (filed herewith).
4.1	(removed and reserved)
4.2(7)	(removed and reserved)
4.3(8)	(removed and reserved)
4.4(9)	(removed and reserved)
4.5	(removed and reserved)
4.6(10)	(removed and reserved)
4.7(11)	(removed and reserved)
4.8(12)	Indenture, dated as of February 15, 2006, among the Registrant, certain subsidiaries of the Registrant as guarantors thereunder and U.S. Bank National Association, as trustee.
4.9(13)	First Supplemental Indenture, dated as of January 3, 2007, among the Registrant and U.S. Bank National Association, as trustee.
4.10(14)	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.
4.11(15)	Indenture, dated as of May 10, 2011, among Sanmina-SCI Corporation, certain subsidiaries of Sanmina-SCI Corporation, as guarantors, and U.S. Bank National Association, as trustee.
4.12(15)	Form of Note for Sanmina-SCI Corporation's 7% Senior Notes due 2019.
4.13(15)	Third Supplemental Indenture, dated as of May 10, 2011, by and between Sanmina- SCI Corporation and U.S. Bank National Association, as trustee.
10.1	(removed and reserved)
10.2(16)(17)	1999 Stock Plan.
10.3(18)	Addendum to the 1999 Stock Plan (Additional Terms and Conditions for Employees of the French subsidiary(ies)), dated February 21, 2001.
10.4(19)	1995 Director Option Plan.
10.5	(removed and reserved)
10.6	(removed and reserved)
10.7	(removed and reserved)
10.8(20)	SCI Systems, Inc. 2000 Stock Incentive Plan.
10.9(21)	SCI Systems, Inc. Board of Directors Deferred Compensation Plan.
10.10(22)	Form of Indemnification Agreement executed by the Registrant and its officers and directors pursuant to the Delaware reincorporation.
10.11(23)(17)	Amended and Restated Sanmina-SCI Corporation Deferred Compensation Plan for Outside Directors.
10.12(24)	Rules of the Sanmina-SCI Corporation Stock Option Plan 2000 (Sweden).
10.13(25)	Rules of the Sanmina-SCI Corporation Stock Option Plan 2000 (Finland).
10.14(26)(17)	Amended and Restated Sanmina-SCI Corporation Deferred Compensation Plan dated June 9, 2008.

[Table of Contents](#)

10.15(27)	2003 Employee Stock Purchase Plan.
10.16(28)	Randy Furr separation agreement.
10.17(29)(17)	Employment Agreement dated as of March 2, 2007 by and between the Registrant and Michael Tyler.
10.18(30)	Asset Purchase and Sale Agreement dated February 17, 2008 by and among the Registrant, Sanmina-SCI USA Inc., SCI Technology, Inc., Sanmina-SCI Systems de Mexico S.A. de C.V., Sanmina-SCI Systems Services de Mexico S.A. de C.V., Sanmina-SCI Hungary Electronics Manufacturing Limited Liability Company, Sanmina-SCI Australia PTY LTD and Foxteq Holdings, Inc.
10.19(31)	Amendment to Asset Purchase Agreement dated February 17, 2008 by and among the Registrant, Sanmina-SCI USA Inc., SCI Technology, Inc., Sanmina-SCI Systems de Mexico S.A. de C.V., Sanmina-SCI Systems Services de Mexico S.A. de C.V., Sanmina-SCI Hungary Electronics Manufacturing Limited Liability Company, Sanmina-SCI Australia PTY LTD and Foxteq Holdings, Inc., dated July 7, 2008.
10.20(32)	Asset Purchase Agreement dated April 25, 2008 by and among Sanmina-SCI USA Inc., Sanmina-SCI Systems de Mexico S.A. de C.V., Sanmina-SCI Systems Services de Mexico S.A. de C.V., Lenovo (Singapore) Pte.Ltd. and Lenovo Centro Tecnologico, SdeRL de C.V.
10.21(33)(17)	Revised form of Officer and Director Indemnification Agreement.
10.22(34)	Loan, Guaranty and Security Agreement, dated as of November 19, 2008, among the Registrant and certain of, as Designated Canadian Guarantors, the financial institutions party thereto from time to time as its subsidiaries as borrowers, Sanmina-SCI Systems (Canada) Inc. and SCI Brockville Corp.s lenders and Bank of America, N.A., as agent for such lenders.
10.23(35)(17)	2009 Incentive Plan, as amended on March 12, 2012.
10.24(36)	Credit and Security Agreement dated as of November 24, 2008 by and among Sanmina SPV LLC, the lenders named therein and Deutsche Bank AG, New York Branch, as administrative agent and collateral agent.
10.25(37)(17)	Deferred Compensation Plan for Outside Directors amended and restated effective January 1, 2009.
10.27	(removed and reserved)
10.28(38)(17)	Form of Stock Option Agreement for use under the 2009 Incentive Plan.
10.29(39)(17)	Form of Restricted Stock Unit Agreement for use under the 2009 Incentive Plan.
10.30(40)(17)	Form of Restricted Stock Agreement for use under the 2009 Incentive Plan.
10.31(41)(17)	Employment offer letter dated September 4, 2009 between the Registrant and Bob Eulau.
10.32(42)(17)	Amendment to Employment Agreement by and between the Registrant and Michael Tyler dated November 15, 2007.
10.33(43)(17)	Form of Change of Control Severance Benefit Agreement.
10.34(44)	Amendment No. 1 dated as of April 6, 2010 to Loan, Guaranty and Security Agreement dated as of November 19, 2008 among the Registrant and certain of its subsidiaries, as borrowers, Sanmina-SCI Systems (Canada), Inc. and SCI Brockville Corp., as Designated Canadian Guarantors, the financial institutions party thereto and Bank of America, N.A. as agent for such lenders.
10.35(45)	Incremental Loan Agreement Joinder dated as of April 6, 2010 among the parties to the Loan and Security Agreement dated November 19, 2008 and Goldman Sachs Lending Partners LLC and Morgan Stanley Senior Funding, Inc., as assuming lenders under the Loan and Security Agreement.
10.36(46)(17)	Amendment to Employment Agreement by and between the Registrant and Michael R. Tyler dated April 6, 2010.
10.37 (47)(17)	Description of Calendar 2012 Non-Employee Director Compensation Arrangements (filed herewith). Amendment No. 2 dated as of December 20, 2010 to Loan, Guaranty and Security Agreement dated as of November 19, 2008 among the Registrant and certain of its subsidiaries, as borrowers, Sanmina-SCI Systems (Canada), Inc. and SCI Brockville Corp., as Designated Canadian Guarantors, the financial institutions party thereto and Bank of America, N.A. as agent for such lenders.
10.38(47)	
10.39(48)	Agreement and Release between the Company and Hari Pillai dated May 5, 2011.
10.40(49)	Purchase Agreement among the Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities, Inc., Goldman Sachs & Co. and Morgan Stanley & Co. Incorporated dated April 26, 2011.
10.41	(removed and reserved)
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- (31) Incorporated by reference to Exhibit 10.71 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 28, 2008, filed with the SEC on August 4, 2008.
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 - (40) Incorporated by reference to Exhibit 10.45 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2009, filed with the SEC on May 5, 2009
 - (41) Incorporated by reference to Exhibit 10.46 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 3, 2009, filed with the SEC on December 1, 2009.
 - (42) Incorporated by reference to Exhibit 10.47 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 3, 2009, filed with the SEC on December 1, 2009.
 - (43) Incorporated by reference to Exhibit 10.48 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended January 2, 2010, filed with the SEC on February 5, 2010.
 - (44) Incorporated by reference to Exhibit 10.49 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 3, 2010, filed with the SEC on April 30, 2010.
 - (45) Incorporated by reference to Exhibit 10.50 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 3, 2010, filed with the SEC on April 30, 2010.
 - (46) Incorporated by reference to Exhibit 10.51 of Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 3, 2010, filed with the SEC on August 5, 2010.
 - (47) Incorporated by reference to the same number exhibit to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended January 1, 2011, filed with the SEC on February 8, 2011.
 - (48) Incorporated by reference to Exhibit 10.38 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 2, 2011, filed with the SEC on August 1, 2011.
 - (49) Incorporated by reference to Exhibit 10.39 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 2, 2011, filed with the SEC on August 1, 2011.
 - (50) Incorporated by reference to Exhibit 10.42 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012, filed with the SEC on May 1, 2012.
 - (51) This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.
 - (52) XBRL (Extensible Business Reporting Language) information is furnished and not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, is deemed not filed for the purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these Sections.
- (c) **Financial Statement Schedules.** See Item 15(a)(2) above.

[Table of Contents](#)

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.

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Jure Sola and Michael R. Tyler and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ JURE SOLA</u> Jure Sola	Chief Executive Officer and Director (Principal Executive Officer)	November 20, 2012
<u>/s/ ROBERT K. EULAU</u> Robert K. Eulau	Chief Financial Officer (Principal Financial Officer)	November 20, 2012
<u>/s/ TODD SCHULL</u> Todd Schull	Senior Vice President and Corporate Controller (Principal Accounting Officer)	November 20, 2012
<u>/s/ NEIL BONKE</u> Neil Bonke	Director	November 16, 2012
<u>/s/ JOHN P. GOLDSBERRY</u> John P. Goldsberry	Director	November 16, 2012
<u>/s/ JOSEPH LICATA</u> Joseph Licata	Director	November 16, 2012
<u>/s/ JEAN MANAS</u> Jean Manas	Director	November 16, 2012
<u>/s/ MARIO M. ROSATI</u> Mario M. Rosati	Director	November 20, 2012
<u>/s/ A. EUGENE SAPP, JR.</u> A. Eugene Sapp, Jr.	Director	November 16, 2012
<u>/s/ WAYNE SHORTRIDGE</u> Wayne Shortridge	Director	November 16, 2012
<u>/s/ JACKIE M. WARD</u> Jackie M. Ward	Director	November 20, 2012

FINANCIAL STATEMENT SCHEDULE

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

**SANMINA 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)			
Allowances for Doubtful Accounts, Product Returns and Other Net Sales adjustments				
Fiscal year ended October 2, 2010	\$ 13,422	\$ 3,571	\$ (241)	\$ 16,752
Fiscal year ended October 1, 2011	\$ 16,752	\$ (1,187)	\$ (1,028)	\$ 14,537
Fiscal year ended September 29, 2012	\$ 14,537	\$ (826)	\$ (1,679)	\$ 12,032

EXHIBIT INDEX

Exhibit Number	Description
3.1(1)	Restated Certificate of Incorporation of the Registrant, dated January 31, 1996.
3.2(2)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, dated March 9, 2001.
3.3(3)	Certificate of Designation of Rights, Preferences and Privileges of Series A Participating Preferred Stock of the Registrant, dated May 31, 2001.
3.4(4)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, dated December 7, 2001.
3.5(5)	Amended and Restated Bylaws of the Registrant adopted by the Board of Directors on December 1, 2008.
3.6(6)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, as amended, dated July 27, 2009.
3.7	Certificate of Ownership and Merger as filed with the Secretary of State of the State of Delaware and effective November 15, 2012 (filed herewith).
4.1	(removed and reserved)
4.2(7)	(removed and reserved)
4.3(8)	(removed and reserved)
4.4(9)	(removed and reserved)
4.5	(removed and reserved)
4.6(10)	(removed and reserved)
4.7(11)	(removed and reserved)
4.8(12)	Indenture, dated as of February 15, 2006, among the Registrant, certain subsidiaries of the Registrant as guarantors thereunder and U.S. Bank National Association, as trustee.
4.9(13)	First Supplemental Indenture, dated as of January 3, 2007, among the Registrant and U.S. Bank National Association, as trustee.
4.10(14)	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.
4.11(15)	Indenture, dated as of May 10, 2011, among Sanmina-SCI Corporation, certain subsidiaries of Sanmina-SCI Corporation, as guarantors, and U.S. Bank National Association, as trustee.
4.12(15)	Form of Note for Sanmina-SCI Corporation's 7% Senior Notes due 2019.
4.13(15)	Third Supplemental Indenture, dated as of May 10, 2011, by and between Sanmina-SCI Corporation and U.S. Bank National Association, as trustee.
10.1	(removed and reserved)
10.2(16)(17)	1999 Stock Plan.
10.3(18)	Addendum to the 1999 Stock Plan (Additional Terms and Conditions for Employees of the French subsidiary(ies)), dated February 21, 2001.
10.4(19)	1995 Director Option Plan.
10.5	(removed and reserved)
10.6	(removed and reserved)
10.7	(removed and reserved)
10.8(20)	SCI Systems, Inc. 2000 Stock Incentive Plan.
10.9(21)	SCI Systems, Inc. Board of Directors Deferred Compensation Plan.
10.10(22)	Form of Indemnification Agreement executed by the Registrant and its officers and directors pursuant to the Delaware reincorporation.
10.11(23)(17)	Amended and Restated Sanmina-SCI Corporation Deferred Compensation Plan for Outside Directors.
10.12(24)	Rules of the Sanmina-SCI Corporation Stock Option Plan 2000 (Sweden).
10.13(25)	Rules of the Sanmina-SCI Corporation Stock Option Plan 2000 (Finland).

[Table of Contents](#)

10.14(26)(17)	Amended and Restated Sanmina-SCI Corporation Deferred Compensation Plan dated June 9, 2008.
10.15(27)	2003 Employee Stock Purchase Plan.
10.16(28)	Randy Furr separation agreement.
10.17(29)(17)	Employment Agreement dated as of March 2, 2007 by and between the Registrant and Michael Tyler.
10.18(30)	Asset Purchase and Sale Agreement dated February 17, 2008 by and among the Registrant, Sanmina-SCI USA Inc., SCI Technology, Inc., Sanmina-SCI Systems de Mexico S.A. de C.V., Sanmina-SCI Systems Services de Mexico S.A. de C.V., Sanmina-SCI Hungary Electronics Manufacturing Limited Liability Company, Sanmina-SCI Australia PTY LTD and Foxteq Holdings, Inc.
10.19(31)	Amendment to Asset Purchase Agreement dated February 17, 2008 by and among the Registrant, Sanmina-SCI USA Inc., SCI Technology, Inc., Sanmina-SCI Systems de Mexico S.A. de C.V., Sanmina-SCI Systems Services de Mexico S.A. de C.V., Sanmina-SCI Hungary Electronics Manufacturing Limited Liability Company, Sanmina-SCI Australia PTY LTD and Foxteq Holdings, Inc., dated July 7, 2008.
10.20(32)	Asset Purchase Agreement dated April 25, 2008 by and among Sanmina-SCI USA Inc., Sanmina-SCI Systems de Mexico S.A. de C.V., Sanmina-SCI Systems Services de Mexico S.A. de C.V., Lenovo (Singapore) Pte.Ltd. and Lenovo Centro Tecnologico, SdeRL de C.V.
10.21(33)(17)	Revised form of Officer and Director Indemnification Agreement.
10.22(34)	Loan, Guaranty and Security Agreement, dated as of November 19, 2008, among the Registrant and certain of, as Designated Canadian Guarantors, the financial institutions party thereto from time to time as its subsidiaries as borrowers, Sanmina-SCI Systems (Canada) Inc. and SCI Brockville Corp.s lenders and Bank of America, N.A., as agent for such lenders.
10.23(35)(17)	2009 Incentive Plan, as amended on March 12, 2012.
10.24(36)	Credit and Security Agreement dated as of November 24, 2008 by and among Sanmina SPV LLC, the lenders named therein and Deutsche Bank AG, New York Branch, as administrative agent and collateral agent.
10.25(37)(17)	Deferred Compensation Plan for Outside Directors amended and restated effective January 1, 2009.
10.27	(removed and reserved)
10.28(38)(17)	Form of Stock Option Agreement for use under the 2009 Incentive Plan.
10.29(39)(17)	Form of Restricted Stock Unit Agreement for use under the 2009 Incentive Plan.
10.30(40)(17)	Form of Restricted Stock Agreement for use under the 2009 Incentive Plan.
10.31(41)(17)	Employment offer letter dated September 4, 2009 between the Registrant and Bob Eulau.
10.32(42)(17)	Amendment to Employment Agreement by and between the Registrant and Michael Tyler dated November 15, 2007.
10.33(43)(17)	Form of Change of Control Severance Benefit Agreement.
10.34(44)	Amendment No. 1 dated as of April 6, 2010 to Loan, Guaranty and Security Agreement dated as of November 19, 2008 among the Registrant and certain of its subsidiaries, as borrowers, Sanmina-SCI Systems (Canada), Inc. and SCI Brockville Corp., as Designated Canadian Guarantors, the financial institutions party thereto and Bank of America, N.A. as agent for such lenders.
10.35(45)	Incremental Loan Agreement Joinder dated as of April 6, 2010 among the parties to the Loan and Security Agreement dated November 19, 2008 and Goldman Sachs Lending Partners LLC and Morgan Stanley Senior Funding, Inc., as assuming lenders under the Loan and Security Agreement.
10.36(46)(17)	Amendment to Employment Agreement by and between the Registrant and Michael R. Tyler dated April 6, 2010.
10.37 (47)(17)	Description of Calendar 2012 Non-Employee Director Compensation Arrangements (filed herewith).
10.38(47)	Amendment No. 2 dated as of December 20, 2010 to Loan, Guaranty and Security Agreement dated as of November 19, 2008 among the Registrant and certain of its subsidiaries, as borrowers, Sanmina-SCI Systems (Canada), Inc. and SCI Brockville Corp., as Designated Canadian Guarantors, the financial institutions party thereto and Bank of America, N.A. as agent for such lenders.
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- (36) Incorporated by reference to Exhibit 10.38 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 27, 2008, filed with the SEC on February 2, 2009.
- (37) Incorporated by reference to Exhibit 10.40 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2009, filed with the SEC on May 5, 2009.
- (38) Incorporated by reference to Exhibit 10.43 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2009, filed with the SEC on May 5, 2009.
- (39) Incorporated by reference to Exhibit 10.44 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2009, filed with the SEC on May 5, 2009.
- (40) Incorporated by reference to Exhibit 10.45 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2009, filed with the SEC on May 5, 2009.
- (41) Incorporated by reference to Exhibit 10.46 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 3, 2009, filed with the SEC on December 1, 2009.
- (42) Incorporated by reference to Exhibit 10.47 to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 3, 2009, filed with the SEC on December 1, 2009.
- (43) Incorporated by reference to Exhibit 10.48 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended January 2, 2010, filed with the SEC on February 5, 2010.
- (44) Incorporated by reference to Exhibit 10.49 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 3, 2010, filed with the SEC on April 30, 2010.
- (45) Incorporated by reference to Exhibit 10.50 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 3, 2010, filed with the SEC on April 30, 2010.
- (46) Incorporated by reference to Exhibit 10.51 of Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 3, 2010, filed with the SEC on August 5, 2010.
- (47) Incorporated by reference to the same number exhibit to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended January 1, 2011, filed with the SEC on February 8, 2011.

[Table of Contents](#)

- (48) Incorporated by reference to Exhibit 10.38 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 2, 2011, filed with the SEC on August 1, 2011.
- (49) Incorporated by reference to Exhibit 10.39 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended July 2, 2011, filed with the SEC on August 1, 2011.
- (50) Incorporated by reference to Exhibit 10.42 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012, filed with the SEC on May 1, 2012.
- (51) This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.
- (52) XBRL (Extensible Business Reporting Language) information is furnished and not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, is deemed not filed for the purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these Sections.

CERTIFICATE OF OWNERSHIP AND MERGER

MERGING

SANMINA SUB CORPORATION
(a Delaware corporation)

WITH AND INTO

SANMINA-SCI CORPORATION
(a Delaware corporation)

**(Pursuant to Section 253 of the
Delaware General Corporation Law)**

Sanmina-SCI Corporation, a Delaware corporation (the "Corporation"), does hereby certify:

FIRST: The Corporation owns all of the outstanding shares of capital stock of Sanmina Sub Corporation, a Delaware corporation ("Merger Subsidiary").

SECOND: The Board of Directors of the Corporation, by the resolutions duly adopted on October 27, 2012 by the unanimous written consent of the Board of Directors, acting without a meeting pursuant to Section 141(f) of the Delaware General Corporation Law, which resolutions are attached hereto as Exhibit A, determined to merge Merger Subsidiary with and into the Corporation pursuant to Section 253 of the Delaware General Corporation Law.

THIRD: The Corporation shall be the surviving corporation in the merger and, from and after the time of the merger, the name of the surviving corporation shall be "Sanmina Corporation."

FOURTH: That this Certificate of Ownership and Merger (and the merger referenced herein) shall be effective at 12:01 a.m. Eastern Time on November 15, 2012.

[Signature page follows]

EXHIBIT A

WHEREAS, the Board of Directors (the “Board”) of Sanmina-SCI Corporation, a Delaware corporation (the “Corporation”) has determined that it is in the best interests of the Corporation and its shareholders to change its corporate name to “Sanmina Corporation”.

WHEREAS, the Board has determined that the most desirable method of effecting such name change would be to merge a wholly-owned subsidiary of the Corporation, with and into the Corporation pursuant to Section 253 of the Delaware General Corporation Law (the “DGCL”) and to change its name in such merger pursuant to Section 253(b) of the DGCL.

WHEREAS, the Corporation owns all of the outstanding capital stock of Sanmina Sub Corporation, a Delaware corporation (“Merger Subsidiary”).

NOW, THEREFORE, IT IS:

RESOLVED, that the Corporation merge, and it does hereby merge into itself Merger Subsidiary (the “Merger”), whereupon the separate existence of Merger Subsidiary shall cease, and the Corporation assumes all of the obligations of Merger Subsidiary.

RESOLVED, that the Corporation shall be the surviving corporation in the Merger (sometimes referred to hereinafter as the “Surviving Corporation”).

RESOLVED, that the Merger is hereby approved and authorized pursuant to the provisions of Section 253 of the DGCL.

RESOLVED, that the Merger shall become effective upon the filing of a Certificate of Ownership and Merger with the Secretary of State of the State of Delaware or at such subsequent time as shall be specified and set forth in such Certificate of Ownership and Merger (the time of such effectiveness being referred to as the “Effective Time”).

RESOLVED, that the directors of the Corporation immediately prior to the Effective Time shall be the directors of the Surviving Corporation, and the officers of the Corporation immediately prior to the Effective Time shall be the officers of the Surviving Corporation.

RESOLVED, that the Restated Certificate of Incorporation of the Corporation as in effect immediately prior to the Effective Time shall be the certificate of incorporation of the Surviving Corporation, except that Article 1 of the Restated Certificate of Incorporation shall be amended at the Effective Time in the Merger to read in its entirety as follows: “1. The name of this corporation is Sanmina Corporation (the “Corporation”).”

RESOLVED, that except for the foregoing amendment to Article 1, the Restated Certificate of Incorporation of the Corporation shall remain unchanged by the Merger until further amended in accordance applicable law.

RESOLVED, that the Amended and Restated Bylaws of the Corporation approved by the Board of Directors on December 1, 2008 (the “Bylaws”) be amended, at and as of the Effective Time, to replace “Sanmina-SCI Corporation” with “Sanmina Corporation” in each place therein that the former appears, and the “Authorized Officers” (as defined below) are directed to cause such changes to be made to the Bylaws promptly following the Effective Time.

RESOLVED, that, except as provided in the immediately preceding resolution, the Bylaws as in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation until amended in accordance with applicable law.

RESOLVED, that by virtue of the Merger and without any action on the part of any holder thereof, as of the Effective Time each outstanding share of capital stock of the Corporation shall remain unchanged and continue to remain outstanding as one share of the corresponding capital stock of the Surviving Corporation, held by the same holder who held such share immediately prior to the Effective Time.

RESOLVED, that at the Effective Time, a stock certificate that represented a share of capital stock of the Corporation immediately prior to the Effective Time shall continue to represent such corresponding share of capital stock of the Surviving Corporation as of the Effective Time.

RESOLVED, that at the Effective Time, by virtue of the Merger and without any action on the part of the holder thereof, each then outstanding share of capital stock of Merger Subsidiary shall be cancelled and no consideration shall be issued in respect thereof.

RESOLVED, that each of the Chief Executive Officer, the Chief Financial Officer, any Executive Vice President, any Senior Vice President, any Vice President, the Treasurer, the Secretary or any Assistant Secretary (each, an "Authorized Officer") is hereby authorized on behalf of the Corporation, whether acting alone or together with any other such officer, to take any and all action, to execute and deliver any and all documents, agreements and instruments, to take any and all steps, to make all filings (including, without limitation, as may be required by the rules or requirements of any securities exchange on which the securities of the Corporation are listed or admitted for trading), to incur and pay all related fees and expenses, in each case as deemed by any such Authorized Officer to be advisable to carry out the purpose and intent of each of the foregoing resolutions and the transactions contemplated thereby (the advisability of which shall be conclusively evidenced by the taking of such action or the execution of such document, agreement or instrument).

RESOLVED, that each Authorized Officer, whether acting alone or together with any other such officer, is hereby directed and authorized to make and execute a Certificate of Ownership and Merger setting forth a copy of the resolutions to merge Merger Subsidiary into the Corporation and to assume Merger Subsidiary's obligations and the date of adoption thereof, and to cause such Certificate of Ownership and Merger to be filed with the Secretary of State of the State of Delaware.

RESOLVED, that all actions heretofore taken by any officer, director, employee or agent of the Corporation in connection with any matter referred to in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects as fully as if such actions had been presented to this Board of Directors for its approval prior to such actions being taken.

CALENDAR 2012 NON-EMPLOYEE DIRECTOR COMPENSATION

Compensation Element	Amount
Board Cash Compensation	Annual retainer - \$80,000 ¹
	Aggregate of \$150,000 in value of stock options and restricted stock units determined as follows: <ul style="list-style-type: none"> - A number of stock options valued at \$50,000 at the time of grant calculated using the Company's stock compensation valuation² practices for financial reporting - A number of restricted stock units calculated by dividing \$100,000 by the closing stock price on the date of grant ² - Both grants vest as to 25% of the shares subject thereto on the first four quarterly anniversaries of the date of grant
Annual Equity Compensation	
Annual Lead Director Cash Compensation	Additional retainer: \$30,000 ¹
	Annual retainer: ¹ Audit Committee: \$15,000 Compensation Committee: \$10,000 Nominating and Governance Committee: \$10,000
Committee Member Cash Compensation	
	Additional retainer: ¹ Audit Committee: \$15,000 Compensation Committee: \$10,000 Nominating and Governance Committee: \$10,000
Annual Committee Chair Cash Compensation	

¹Directors may elect to receive cash retainers in the form of restricted stock units with value equal to 133% of the forgone cash compensation and which vest in full on the day immediately prior to the annual meeting of stockholders held following the grant date.

²Represents amount of equity granted to Board members elected at annual meetings of stockholders. For members appointed between annual meetings of stockholders, grant amounts are pro rated based upon the time between the last annual meeting of stockholders and the date of appointment.

**AMENDMENT NO. 1 TO AMENDED AND RESTATED
LOAN, GUARANTY AND SECURITY AGREEMENT**

This Amendment No. 1 to the Amended and Restated Loan, Guaranty and Security Agreement (this "Amendment"), dated as of July 12, 2012, is made by **SANMINA-SCI CORPORATION**, a Delaware corporation ("Sanmina"), **HADCO CORPORATION**, a Massachusetts corporation ("Hadco"), **HADCO SANTA CLARA, INC.**, a Delaware corporation ("Hadco Santa Clara"), **SANMINA-SCI SYSTEMS HOLDINGS, INC.**, a Delaware corporation ("SSCI Holdings"), **SCI TECHNOLOGY, INC.**, an Alabama corporation ("SCI Technology"), and together with Sanmina, Hadco, Hadco Santa Clara, and SSCI Holdings, collectively, "Borrowers"), **SANMINA-SCI SYSTEMS (CANADA) INC.**, a Nova Scotia limited company, and **SCI BROCKVILLE CORP.**, a Nova Scotia unlimited company, each as a Designated Canadian Guarantor (as defined in the Amended and Restated Loan Agreement referred to below), the financial institutions listed on the signature pages hereof as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association, as agent for the Lenders ("Agent").

RECITALS

Reference is hereby made to the Amended and Restated Loan, Guaranty and Security Agreement dated as of March 16, 2012 (the "Loan Agreement") among the Borrowers, the Designated Canadian Guarantors, the Lenders from time to time party thereto and the Agent.

The parties hereto agree to amend the Loan Agreement as set forth herein on the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. Unless otherwise expressly defined herein, all capitalized terms used herein and defined in the Loan Agreement shall be used herein as so defined. Unless otherwise expressly stated herein, all Section references herein shall refer to Sections of the Loan Agreement.

2. Amendment to Loan Agreement. Section 10.2.1(q) of the Loan Agreement is hereby replaced in its entirety with the following:

"Debt incurred by Sanmina or any Subsidiary pursuant to arrangements for extended financing of accounts payable to suppliers in an aggregate amount not to exceed the Dollar Equivalent of \$100,000,000 at any time."

3. Conditions Precedent. This Amendment shall become effective as of the date first above written (the "Amendment No. 1 Effective Date") if on or before July 12, 2012, (a) the Agent shall have received counterparts of this Amendment executed by the Obligor and the Required Lenders (or, as to any of such Lenders, advice satisfactory to the Agent that such Lender

has executed this Amendment); and (b) all fees and expenses due and payable under the Loan Agreement shall have been paid.

4. Representations and Warranties. Each Obligor hereby represents and warrants to the Agent and the Lenders that, as of the Amendment No. 1 Effective Date and after giving effect to this Amendment, (a) all representations and warranties set forth in the Loan Documents are true and correct in all material respects as if made again on and as of the Amendment No. 1 Effective Date (except for those which by their terms specifically refer to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date), (b) no Default or Event of Default has occurred and is continuing and (c) the Loan Agreement (as amended by this Amendment) and all other Loan Documents are and remain legal, valid, binding and enforceable obligations of the Obligors in accordance with the terms thereof except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles (regardless of whether enforcement is sought in equity or at law).

5. Reference to Agreement. Each of the Loan Documents, including the Loan Agreement and the Guaranty, and any and all other agreements, documents or instruments now or hereafter executed and/or delivered pursuant to the terms hereof or pursuant to the terms of the Loan Agreement as amended hereby, are hereby amended so that any reference in such Loan Documents to the Loan Agreement, whether direct or indirect, shall mean a reference to the Loan Agreement as amended hereby. This Amendment shall constitute a Loan Document.

6. Costs and Expenses. The Company shall pay on demand all reasonable costs and expenses of the Agent and the Lenders (including the reasonable fees, costs and expenses of counsel to the Agent and the Lenders) incurred in connection with the preparation, execution and delivery of this Amendment.

7. Governing Law. This Amendment shall be construed in accordance with and governed by the laws of the State of New York.

8. Execution. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

BORROWERS:

Sanmina-SCI Corporation

By: /s/ Robert K. Eulau
Name: Robert K. Eulau
Title: Chief Financial Officer

Hadco Corporation
Hadco Santa Clara, Inc.
Sanmina-SCI Systems Holdings, Inc.
SCI Technology, Inc.

By: /s/ Christopher K. Sadeghian
Name: Christopher K. Sadeghian
Title: Secretary

Amendment No. 1 to Amended and Restated Loan, Guaranty and Security Agreement (Sanmina)

GUARANTORS:

SCI Brockville Corp.

By: /s/ Christopher K. Sadeghian

Name: Christopher K. Sadeghian

Title: Director

Sanmina-SCI Systems (Canada) Inc.

By: /s/ Christopher K. Sadeghian

Name: Christopher K. Sadeghian

Title: Secretary

AGENT AND LENDERS:

BANK OF AMERICA, N.A.,

as Agent and Lender

By: /s/ Stephen King

Name: Stephen King

Title: Senior Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Lender

By:

Name:

Title:

By:

Name:

Title:

MORGAN STANLEY SENIOR FUNDING, INC.,

as Lender

By:

Name:

Title:

MORGAN STANLEY BANK, N.A., as Lender

By: /s/ Penny Tsekouras

Name: Penny TseKouras

Title: Authorized Signatory

HSBC BANK USA, N.A., as Lender

By: /s/ Janet K. Lee

Name: Janet K. Lee

Title: Vice President

GOLDMAN SACHS BANK USA, as Lender

By: /s/ Michelle Latzoni

Name: Michelle Latzoni

Title: Authorized Signatory

SIEMENS FINANCIAL SERVICES, INC., as Lender

By: /s/ Jeffrey Jervese

Name: Jeffrey Jervese

Title: Vice President

By: /s/ John Finore

Name: John Finore

Title: Vice President

WELLS FARGO BANK, N.A.

as Lender

By: /S/ Peter Aziz

Name: Peter Aziz

Title: Vice President

LOAN AGREEMENT

This LOAN AGREEMENT (as amended, restated, modified or otherwise supplemented from time to time, this “Agreement”) dated as of July 19, 2012, made by SANMINA-SCI CORPORATION, a Delaware corporation, having an address at 2700 North First Street, San Jose, California (“Borrower”), and UNION BANK, N.A., a national banking association, having an office at Technology, Media and Telecommunications Group, National Banking, 350 California Street 17th floor, San Francisco, CA 94104 (“Bank”).

WITNESSETH:

WHEREAS, Bank has agreed to make a loan (the “Loan”) to Borrower in the principal amount of \$40,000,000.00 (the “Loan Amount”); and

WHEREAS, as a condition to Bank extending the Loan to Borrower, Bank requires that the parties enter into an agreement governing the parties rights and obligations under the Loan on the terms, provisions, covenants and conditions hereinafter set forth.

NOW THEREFORE, the parties hereto agree as follows:

1. Definitions. All terms used herein but not otherwise defined shall have the following meanings:

“ABL Credit Agreement” means that certain Amended and Restated Loan, Guaranty and Security Agreement, dated as of March 16, 2012, among Borrower, Hadco Corporation, Hadco Santa Clara, Inc., Sanmina SCI Systems Holdings, Inc., and SCI Technology, Inc., as borrowers, Sanmina-SCI Systems (Canada) Inc. and SCI Brockville Corp. as guarantors, the lenders party thereto and Bank of America, N.A. as agent for the lenders party thereto; *provided*, that references herein to the ABL Credit Agreement shall be deemed to refer to the ABL Credit Agreement as in effect as of the date hereof or as subsequently amended, modified, restated or supplemented (provided that any such amendment, modification, restatement or supplement shall not affect the terms of this Agreement unless agreed by Bank in writing), and regardless of whether any obligations of Borrower remain outstanding thereunder (it being understood that the foregoing shall not in any way limit the ability of Borrower to amend, restate, modify or supplement the ABL Credit Agreement with the parties thereto).

“ABL Debt” means all outstanding “Obligations” under, and as defined in, the ABL Credit Agreement.

“Affiliate” means, with respect to a certain Person, any other Person that directly or indirectly controls, or is under common control with, or is controlled by, such Person. “Control” means 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 ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have correlative meanings.

“Anti-Terrorism Laws” means any laws relating to terrorism or money laundering, including the Patriot Act.

“Applicable Law” means all laws, rules, regulations and binding governmental guidelines applicable to the Person, conduct, transaction, agreement or matter in question, including all applicable statutory law, common law and equitable principles, and all provisions of constitutions, treaties, statutes, rules, regulations, orders, rulings and decrees of Governmental Authorities having jurisdiction over such Person.

“Applicable Margin” means, (a) with respect to Prime Rate Loans, one and one-half (1.5) percentage points (150 basis points) and (b) with respect to LIBOR Rate Loans, two and one-half (2.5) percentage points (250 basis points).

“Appraisal” means an MAI-appraisal of the Mortgaged Property satisfactory to Bank as determined by an Appraiser. Borrower shall pay the cost and expenses of any such Appraisal, including, without limitation, the fees of any such Appraiser.

“Appraiser” means an independent MAI-appraiser selected by Bank with at least five (5) years experience in real estate appraisals (as well as prior experience in appraising property similar to that of the Mortgaged Property) in the jurisdiction in which the Property is located.

“Asset Disposition” means a sale, lease, license, consignment, transfer or other disposition of Property of Borrower and for purposes of the definition of Net Income, Borrower's Subsidiaries, including (a) a disposition of Property in connection with a sale-leaseback transaction or synthetic lease and (b) any involuntary loss resulting from a casualty event or condemnation.

“Bank Parties” is defined in Section 10.

“Bankruptcy Code” means Title 11 of the United States Code.

“Board of Governors” means the Board of Governors of the Federal Reserve System.

“Borrowed Money” means, with respect to any Person, without duplication, its (a) Debt that (i) arises from the lending of money by any Person to such Person, (ii) is evidenced by notes, drafts, bonds, debentures, credit documents or similar instruments, (iii) accrues interest or is a type upon which interest charges are customarily paid (excluding accounts payables owing in the Ordinary Course of Business), or (iv) was issued or assumed as full or partial payment for Property (excluding accounts payables owing in the Ordinary Course of Business); (b) Capital Leases; (c) reimbursement obligations with respect to letters of credit; and (d) guaranties of any Debt of the foregoing types owing by another Person; *provided* that in no event shall Borrowed Money include any obligations under or with respect to an operating lease (regardless of any change in the treatment thereof under GAAP with respect to operating leases outstanding prior to the effectiveness of any such change in treatment).

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, California, and if such day relates to a LIBOR Loan, any such day on which dealings in Dollar deposits are conducted between banks in the London interbank Eurodollar market.

“Capital Lease” means any lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

“Cash Equivalents” means (a) securities issued or directly and fully guaranteed or insured by (i) the United States government or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof), or (ii) any member of the European Economic Area or Switzerland, or any agency or instrumentality thereof (provided that such country, agency or instrumentality has a credit rating at least equal to that of the United States and the full faith and credit of such country is pledged in support thereof), in each case, with such securities having maturities of not more than thirteen months from the date of acquisition; (b) marketable general obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within thirteen months from the date of acquisition thereof (provided that the full faith and credit of such state is pledged in support thereof) and, at the time of acquisition thereof, having credit ratings of at least AA- (or the equivalent) by S&P and at least Aa3 (or the equivalent) by Moody's; (c) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than thirteen months from the date of acquisition thereof issued by any commercial bank organized in the United States of America, Canada, Japan or Switzerland or any member of the European Economic Area, in each case, of recognized standing and having combined capital and surplus in excess of \$500,000,000 (or the foreign currency equivalent thereof); (d) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a), (b) and (c) entered into with any bank meeting the qualifications specified in clause (c) above; (e) commercial paper having a rating at the time of acquisition thereof of at least A-1 from S&P or at least P-1 from Moody's or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named

rating agencies cease publishing ratings of investments, and in any case maturing within thirteen months after the date of acquisition thereof; (f) interests in any investment company or money market fund substantially all of the assets of which are of the type specified in clauses (a) through (e) above; (g) corporate obligations with long term ratings of A or better from S&P or Moody's, with such obligations having maturities of not more than thirteen months from the date of acquisition; and (h) asset backed securities rated AAA or better by S&P or Moody's, with such securities having maturities of not more than thirteen months from the date of acquisition.

"Change in Law" means the occurrence after the date of this Agreement of (a) the adoption or phase-in of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority or (c) compliance by Bank (or, for purposes of Section 2(j), by any lending office of Bank or by Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; *provided however*, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (y) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, issued or implemented.

"Change of Control" means at any time, (a) any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) (i) shall have acquired beneficial ownership of 50.1% or more on a fully diluted basis of the voting and/or economic interest in the Equity Interests of Borrower 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 Borrower; (b) during any period of twelve (12) consecutive months, the majority of the seats (other than vacant seats) on the board of directors (or similar governing body) of Borrower cease to be occupied by Persons who either (i) were members of the board of directors of Borrower on the Closing Date or (ii) were nominated for election by the board of directors of Borrower, 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.

"Claims" means all liabilities, obligations, losses, damages, penalties, judgments, proceedings, interest, costs and expenses of any kind (including remedial response costs, reasonable attorneys' fees and Extraordinary Expenses) at any time (including after Full Payment of the Obligations) incurred by or asserted against any Bank Party in any way relating to (a) the Loan, Loan Documents, or the use thereof or transactions relating thereto, (b) any action taken or omitted to be taken by any Bank Party in connection with any Loan Documents, (c) the existence or perfection of any Liens, or realization upon any of the Mortgaged Property, (d) exercise of any rights or remedies under any Loan Documents or Applicable Law, or (e) failure by Borrower to perform or observe any terms of any Loan Document, in each case including all costs and expenses relating to any investigation, litigation, arbitration or other proceeding (including an Insolvency Proceeding or appellate proceedings), whether or not the applicable Bank Party is a party thereto.

"Closing Date" is defined in Section 3.

"Code" means Internal Revenue Code of 1986.

"Compliance Certificate" means a certificate, in the form of **Exhibit B**, by which Borrower certifies compliance with Section 7.

"Consolidated Capital Expenditures" means, for any period, the aggregate of all expenditures of Borrower and its Subsidiaries during such period determined on a consolidated basis that, in accordance with GAAP, are or should be included in "purchase of property and equipment" or similar items reflected in the consolidated statement of cash flows of Borrower and its Subsidiaries.

“Contingent Obligation” means any obligation of a Person arising from a guaranty, suretyship, indemnity or other assurance of payment or performance of any Debt, lease, dividend or other obligation (“primary obligations”) of another obligor (“primary obligor”) in any manner, whether directly or indirectly, including any obligation of such Person under any (a) guaranty, endorsement (other than for collection or deposit in the ordinary course of business), co-making or sale with recourse of an obligation of a primary obligor; (b) obligation to make take-or-pay or similar payments regardless of nonperformance by any other party to an agreement; and (c) arrangement (i) to purchase any primary obligation or security therefor, (ii) to supply funds for the purchase or payment of any primary obligation, (iii) to maintain or assure working capital, equity capital, net worth or solvency of the primary obligor, (iv) to purchase Property or services for the purpose of assuring the ability of the primary obligor to perform a primary obligation, or (v) otherwise to assure or hold harmless the holder of any primary obligation against loss in respect thereof. The amount of any Contingent Obligation shall be deemed to be the stated or determinable amount of the primary obligation (or, if less, the maximum amount for which such Person may be liable under the instrument evidencing the Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability with respect thereto.

“Convertible Indebtedness” means Debt convertible into Equity Interest of Borrower or any of its Subsidiaries at the option of the holder thereof.

“Debt” means, as applied to any Person, without duplication, (a) all items that would be included as liabilities on a balance sheet in accordance with GAAP, including Capital Leases, but excluding accounts payables incurred and being paid in the Ordinary Course of Business; (b) all Contingent Obligations where the primary obligation associated therewith would constitute Debt under this definition; (c) all reimbursement obligations in connection with letters of credit issued for the account of such Person; and (d) in the case of a Borrower, the Obligations. The Debt of a Person shall include any recourse Debt of any partnership in which such Person is a general partner or joint venturer.

“Default” means an event or condition that, with the lapse of time or giving of notice, would constitute an Event of Default.

“Default Rate” means, as of any date of determination, with respect to any Obligation, a rate per annum equal to the lesser of (a) the maximum rate of interest permitted by Applicable Law at such time; and (b) five percent (5.00%) plus the greater of (i) the Interest Rate otherwise applicable thereto and (ii) the Prime Rate then in effect.

“Disclosure Letter” means the disclosure letter of Borrower to Bank with respect to this Agreement, dated the Closing Date.

“Distribution” means any declaration or payment of a distribution, interest or dividend on any Equity Interest (other than payment-in-kind, including a dividend payable solely in shares of stock or the distribution of non-cash rights in connection with any stockholder rights plan); or any purchase, redemption, or other acquisition or retirement for value of any Equity Interest.

“Dollar(s) or \$” means United States dollars.

“EBITDA” means, for any period, an amount determined for Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP equal to the amount equal to the sum of the following: (a) Net Income; plus (b) to the extent deducted in the calculation of Net Income: (i) Taxes, whether paid or deferred, (ii) Net Interest Expense, (iii) amortization, (iv) depreciation, (v) other non-cash charges for such period including, without limitation, goodwill, restructuring charges, non-cash charges arising from the accelerated recognition of pension expenses previously deferred under FAS 87/88, cumulative translation adjustments arising from the liquidation of Subsidiaries, financing costs and expenses, fixed asset and other intangibles impairment; provided that any cash payments made in any future period in respect of such charges shall be subtracted from EBITDA in the period when such payments are made and (vi) any non-cash charges associated with the recognition of fair value of stock options and other equity-based compensation issued to employees which have been expensed in Borrower's statement of operations for such period;

minus (c) pension related payments or contributions for such period in excess of the related charges or expenses reflected on the income statement for such period.

“Enforcement Action” means any action to enforce any Obligations or Loan Documents or to realize upon the Mortgaged Property (whether by judicial action, self-help (to the extent permitted by law), exercise of setoff or recoupment, or otherwise).

“Environment” means any surface or subsurface water, water vapor, surface or subsurface land, air, fish, wildlife and all other natural resources.

“Environmental Law” means any law, ordinance, rule, regulation or requirement issued by any Federal, state or local Governmental Authority, whether now existing or hereafter enacted, and any judicial or administrative interpretations thereof, regulating the condition, disposal, distribution, generation, handling, manufacture, possession, presence, processing, production, sale, storage, transport, treatment or use of Hazardous Substances or relating to the protection of the Environment.

“Environmental Permits” means all permits, licenses, approvals, authorizations, consents or registrations required by any applicable Environmental Law in connection with the ownership, use and/or operation of the Premises including, without limitation, those required for the disposal, distribution, encapsulation, generation, handling, manufacture, possession, processing, productions, remediation, removal, sale, storage, treatment, transport or use of Hazardous Substances.

“Equity Interests” means the interest of any (a) shareholder in a corporation; (b) partner in a partnership (whether general, limited, limited liability, unlimited liability or joint venture); (c) member in a limited liability or unlimited liability company; or (d) any other Person having any other form of equity security or ownership, but excluding any debt security or debt instrument convertible into or exchangeable for any equity security or ownership interest.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) Borrower or any ERISA Affiliate fails to meet any funding obligations with respect to any Pension Plan or Multiemployer Plan, or requests a minimum funding waiver; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon Borrower or any ERISA Affiliate.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

“Extraordinary Expenses” means all costs, expenses or advances that Bank may incur during a Default or Event of Default, or during the pendency of an Insolvency Proceeding of Borrower, including those relating to (a) any audit, inspection, repossession, storage, repair, appraisal, insurance, manufacture, preparation or advertising for sale, sale, collection, or other preservation of or realization upon the Mortgaged Property; (b) any action, arbitration or other proceeding (whether instituted by or against Bank, Borrower, any representative of creditors of Borrower or any other Person) in any way relating to the Mortgaged Property (including the validity, perfection, priority or avoidability of

Bank's Liens with respect to the Mortgaged Property), Loan Documents or Obligations, including any lender liability or other Claims; (c) the exercise, protection or enforcement of any rights or remedies of Bank in, or the monitoring of, any Insolvency Proceeding; (d) settlement or satisfaction of any taxes, charges or Liens with respect to the Mortgaged Property; (e) any Enforcement Action; and (f) negotiation and documentation of any modification, waiver, workout, restructuring or forbearance with respect to any Loan Documents or Obligations. Such costs, expenses and advances include transfer fees, Other Taxes, storage fees, insurance costs, permit fees, utility reservation and standby fees, legal fees, appraisal fees, brokers' fees and commissions, auctioneers' fees and commissions, accountants' fees, wages and salaries paid to employees of Borrower or independent contractors in liquidating the Mortgaged Property, and travel expenses.

“Fiscal Month” means a fiscal month of any Fiscal Quarter.

“Fiscal Quarter” means a fiscal quarter of any Fiscal Year.

“Fiscal Year” means the fiscal year of Borrower for accounting and tax purposes, ending on the Saturday nearest September 30 of each year.

“Fixed Charge Coverage Ratio” means the ratio, determined on a consolidated basis for Borrower and its Subsidiaries for the most recent four Fiscal Quarters then ended, of (a) (i) EBITDA minus (ii) Consolidated Capital Expenditures (except those financed with Borrowed Money) less (but only to the extent not in excess of Consolidated Capital Expenditures for the applicable period) the aggregate net cash proceeds actually received by Borrower and its Subsidiaries from the sale of any fixed assets (including, without limitation, Real Estate) during the applicable period, to (b) Fixed Charges, in each case as determined in accordance with GAAP.

“Fixed Charges” means the sum of interest expense paid (other than payment-in-kind), scheduled principal payments made on Borrowed Money (other than maturing debt that is fully refinanced), Distributions made (excluding any Distributions made: (a) by Borrower to any Subsidiary or (b) by any Subsidiary to Borrower or to any other Subsidiary, but, for the avoidance of doubt, including that portion of any Distribution which is not paid to any Subsidiary or Borrower) and cash Taxes paid, net of cash refunds received; *provided*, that for purposes of the calculation of the Fixed Charge Coverage Ratio, (x) the sum of such Taxes paid net of cash refunds received shall not be less than zero and (y) Debt in an aggregate amount no greater than \$35,000,000 under credit facility agreements entered into from time to time by any Subsidiary of Sanmina formed under the laws of India, Malaysia, Singapore, Thailand, or any country other than the United States of America or China and all Debt under credit facility agreements entered into from time to time by any Subsidiary of Sanmina formed under the laws of China shall be excluded from the calculation of the Fixed Charge Coverage Ratio if in each case such facilities mature or are by their respective terms automatically renewable for one year or less following the applicable date of determination.

“FLSA” means Fair Labor Standards Act of 1938.

“Foreign Plan” means any employee benefit plan or arrangement (a) maintained or contributed to by Borrower or any Subsidiary that is not subject to the laws of the United States of America; or (b) mandated by a government other than the United States for employees of Borrower or any Subsidiary.

“Full Payment” means with respect to any Obligations, (a) the full and indefeasible cash payment thereof, including any interest, fees and other charges accruing during an Insolvency Proceeding (whether or not allowed in the proceeding); (b) a release of any Claims of Borrower against Bank arising on or before the payment date; and (c) adequate provision (as determined by Bank in its reasonable judgment) having been made for any claims against any Bank Party that have been asserted or threatened in writing or that can otherwise reasonably be identified by Bank based on the then-known facts and circumstances.

“GAAP” means generally accepted accounting principles in effect in the United States of America consistently applied and maintained throughout the period indicated and consistent with prior financial practices of Borrower, except for changes mandated by the Financial Accounting Standards Board or any similar accounting authority of comparable standing.

“Governmental Approvals” means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and required reports to, all Governmental Authorities.

“Governmental Authority” means any federal, state, provincial, territorial, municipal, foreign or other governmental department, agency, commission, board, bureau, court, tribunal, instrumentality, central bank, political subdivision, or other entity or officer exercising executive, legislative, judicial, regulatory or administrative functions for or pertaining to any government or court, in each case whether associated with the United States, a state, district or territory thereof, Canada, or a province or territory thereof, or any other foreign entity or government.

“Hazardous Substances” means any material, substance or waste which is defined, listed, identified, designated or classified as “hazardous”, “toxic”, “infectious”, a “pollutant” or a “contaminant” as such under applicable Environmental Law regardless of whether such material be found on or below the surface of the ground, in any surface or underground water, airborne in ambient air or in the air inside of any structure built or located upon or below the surface of the ground, or in any machinery, equipment or inventory located at or used in any such structure, including, without limitation, asbestos and asbestos-containing materials and lead-based paint.

“Hedging Agreement” means an agreement relating to any swap, cap, floor, collar, option, forward, cross right or obligation, or combination thereof or similar transaction, with respect to interest rate, foreign exchange, currency, commodity, credit or equity risk.

“Indentures” means the Senior Subordinated Indenture and the Senior Indentures.

“Insolvency Proceeding” means any case or proceeding commenced by or against a Person under any state, provincial, territorial, federal or foreign law for, or any agreement of such Person to, (a) the entry of an order for relief under the Bankruptcy Code, or any other insolvency, debtor relief or debt adjustment law; (b) the appointment of a receiver, interim receiver, receiver-manager, monitor, trustee, liquidator, administrator, conservator or other custodian for such Person or any part of its Property under any bankruptcy or insolvency law (including, in each case, the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity); or (c) an assignment or trust mortgage for the benefit of creditors under any bankruptcy or insolvency law.

“Intellectual Property” means all intellectual and similar Property of a Person, including inventions, designs, patents, copyrights, trademarks, service marks, trade names, trade secrets, confidential or proprietary information, customer lists, know-how, software and databases; all embodiments or fixations thereof and all related documentation, applications, registrations and franchises; all licenses or other rights to use any of the foregoing; and all books and records relating to the foregoing.

“Intellectual Property Claim” means any written claim or assertion (whether by suit or otherwise) that Borrower's ownership, use, marketing, sale or distribution of any Property violates another Person's Intellectual Property.

“Intercompany Debt” means Debt (whether or not evidenced by a writing) of Borrower or any of its Subsidiaries payable to, as applicable, Borrower or any of its Subsidiaries.

“Interest Expense” means for any period, total interest expense (including that portion attributable to Capital Leases in accordance with GAAP and capitalized interest) of Borrower and its Subsidiaries on a consolidated basis with respect to all outstanding Debt of Borrower and its Subsidiaries, including all commissions, discounts and other fees, charges owed with respect to letters of credit and net costs under Interest Rate Agreements.

“Interest Period” means, with respect to each LIBOR Rate Loan, a period commencing on the date of the making of such LIBOR Rate Loan and ending one, two or three months thereafter, as selected by Borrower in its Notice of Rate Election; *provided, however*, that (a) if any Interest Period would end on a day that is not a Business Day, such Interest Period shall be extended (subject to clause (c) below) to the next succeeding Business Day, (b) interest shall accrue at the applicable rate based upon the LIBOR Rate from and including the first day of each Interest Period to, but excluding, the day on which any Interest Period expires, and (c) with respect to an Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at

the end of such Interest Period), the Interest Period shall end on the last Business Day of the calendar month that is one month after the date on which the Interest Period began, as applicable.

“Interest Rate” is defined in Section 2(c).

“Interest Rate Agreement” means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is for the purpose of managing the interest rate exposure or interest rate risk associated with Borrower's and its Subsidiaries' operations and not for speculative purposes.

“Investment” means any acquisition of all or substantially all assets of a Person; any acquisition of record or beneficial ownership of any Equity Interests of a Person; or any advance or capital contribution to or other investment in a Person. For purposes of calculation, the amount of any Investment outstanding at any time shall be the aggregate amount of such Investment less all cash dividends and cash distributions received by such Person thereon (or in the case of noncash dividends and distributions received by such Person, the amount of cash received in respect thereof when and if converted into cash).

“IRS” means the United States Internal Revenue Service.

“LIBOR” means the rate per annum (rounded upwards, if necessary, to five decimal places where the sixth digit is five or more), at which Dollar deposits for the applicable Interest Period displayed on the LIBOR 01 page of the Reuters Monitor Money Rates Service Screen (or such other service as may replace or supplement the Reuters Monitor Money Rates Service Screen for the purpose of providing quotations of interest rates applicable for deposits in U.S. dollars in the relevant interbank market) as of 11:00 a.m. London time, two (2) Business Days prior to commencement of such Interest Period. If the LIBOR becomes unavailable during the term of this Agreement, Bank may designate a substitute index after notifying Borrower. If for any reason rates are not available as provided in the preceding sentence, the rate to be used to determine LIBOR shall be, at the Bank's discretion (in each case, rounded upward if necessary to five decimal places where the sixth digit is five or more), the rate per annum at which Dollar deposits are offered to the Bank in the London interbank eurodollar currency market or the rate at which Dollar deposits are offered to or by the Bank's London Branch to major banks in any offshore interbank eurodollar market selected by the Bank, in each case on the applicable day (provided that if such day is not a Business Day for which Dollar deposits are offered to the Bank in the London interbank eurodollar currency market, the next preceding Business Day for which Dollar deposits are offered to the Bank in the London interbank eurodollar currency market) shortly after 11:00 a.m. (London time) (for delivery on such date of determination) for a one month term.

“LIBOR Rate Loan” means each portion of the Loan that bears interest based on LIBOR.

“Lien” means any Person's interest in Property securing an obligation owed to, or a claim by, such Person, whether such interest is based on common law, statute or contract, including liens, security interests, pledges, hypothecations, statutory trusts, reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, conditional sales, restrictions, leases, leaseings, and other title exceptions and encumbrances affecting Property.

“Loan” is defined in the preamble to this Agreement.

“Loan Amount” is defined in the preamble to this Agreement.

“Loan Documents” means this Agreement, the Note, the Deed of Trust, the Environmental Indemnity, the Alternative Dispute Resolution Agreement and any other documents executed or furnished for purposes of or in connection with this Agreement, the Note, the Deed of Trust or the Environmental Indemnity.

“Loan Year” means each 12 month period commencing on the Closing Date and on each anniversary of the Closing Date.

“Margin Stock” shall have the meaning given to such term in Regulation U of the Board of Governors.

“Material Adverse Effect” means the effect of any event or circumstance that, taken alone or in conjunction with other events or circumstances, (a) causes or could be reasonably expected to cause a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent) or condition (financial or otherwise) of Borrower and its Subsidiaries, taken as a whole; (b) materially impairs the rights and remedies of Bank under any Loan Document, or the ability of Borrower to perform its obligations under any Loan Document; (c) has a material adverse effect upon the legality, validity, binding effect or enforceability against Borrower of any Loan Document; or (d) has a material adverse effect upon a material portion of the Mortgaged Property.

“Material Contract” means any agreement or arrangement to which Borrower is party (other than the Loan Documents) (a) that is deemed to be a material contract under any securities law applicable to such Person, including the Securities Act of 1933; (b) for which breach, termination, nonperformance or failure to renew could reasonably be expected to have a Material Adverse Effect; or (c) that relates to Subordinated Debt or Borrowed Money having an outstanding principal amount of \$25,000,000 or more.

“Material Indebtedness” means any Borrowed Money (other than the Loans), or obligations in respect of one or more Hedging Agreements, of Borrower evidencing an outstanding principal amount exceeding \$25,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of Borrower in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Obligor would be required to pay if such Hedging Agreement were terminated at such time.

“Maturity Date” is defined in Section 2(h)(1).

“Moody's” means Moody's Investors Service, Inc., and its successors.

“Mortgaged Property” is defined in Section 2(b).

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Net Income” means, for any period, (a) the net income (or loss) of Borrower and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP, excluding (b) (i) the income (or loss) of any Person (other than a Subsidiary of Borrower) in which any other Person (other than Borrower or any of its Subsidiaries) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to Borrower or any of its Subsidiaries by such Person during such period, (ii) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of Borrower or is merged into or consolidated with Borrower or any of its Subsidiaries or that Person's assets are acquired by Borrower or any of its Subsidiaries, (iii) the income of any Subsidiary of Borrower to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, (iv) any after-tax gains or losses attributable to Asset Dispositions or returned surplus assets of any Pension Plan, and (v) (to the extent not included in clauses (i) through (iv) above) any net extraordinary gains or net extraordinary losses, to the extent included in determining net income (or loss) for such period.

“Net Interest Expense” means, for any period, Interest Expense for such period minus interest income included in Net Income for such period.

“Note” is defined in Section 2(b).

“Notice of Rate Election” is defined in Section 2(c).

“Obligations” means (a) principal of and premium, if any, on the Loan, (b) interest, expenses, fees and other sums payable by Borrower under Loan Documents, (c) obligations of Borrower under any indemnity for Claims, (d) Extraordinary Expenses and (e) other Debts, obligations and liabilities of any kind owing by Borrower pursuant to the Loan Documents, whether now existing or hereafter arising, whether evidenced by a note or other writing, whether allowed in any Insolvency Proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several.

“Ordinary Course of Business” means the ordinary course of business of Borrower, in the exercise of its reasonable business judgment and undertaken in good faith.

“OSHA” means the Occupational Safety and Hazard Act of 1970.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Plan” means any employee pension benefit plan (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by Borrower or any ERISA Affiliate or to which Borrower or an ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the preceding five plan years.

“Permitted Acquisition” means any acquisition by Borrower, whether by purchase, merger, amalgamation, or otherwise, of all or substantially all of the assets of, all of the Equity Interests of, or a business line or unit or a division of, any Person to the extent permitted under the ABL Credit Agreement.

“Permitted Business” means any business that is related, ancillary or complementary to the businesses of Borrower and its Subsidiaries on the Closing Date or any reasonable extension thereof.

“Permitted Liens” is defined in Section 6(a).

“Person” means any individual, corporation, limited liability company, unlimited liability company, partnership, joint venture, joint stock company, land trust, business trust, unincorporated organization, Governmental Authority or other entity.

“Plan” means any employee benefit plan (as such term is defined in Section 3(3) of ERISA) established by Borrower or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, an ERISA Affiliate.

“Premises” means the Mortgaged Property and the land surface and the entire subsurface under such Mortgaged Property (including the soil, sand, gravel, stone and rock), all surface water and subsurface water on such Mortgaged Property (whether flowing or stagnant), the ambient air on such Mortgaged Property, all structures, fixtures and buildings located, situated or erected on the land.

“Prime Rate” means the prime lending rate as announced by Bank (or any Affiliate of Bank if no such rate is announced by Bank) from time to time as its prime lending rate which rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Any change in the interest rate resulting from a change in the Prime Rate shall be effective on the effective date of each change in the prime lending rate.

“Prime Rate Loan” means each portion of the Loan that bears interest based on the Prime Rate.

“Properly Contested” means, with respect to any obligation of any Person, (a) the obligation is subject to a bona fide dispute regarding amount or the Person's liability to pay; (b) the obligation is being properly contested in good faith by appropriate proceedings promptly instituted and diligently pursued; (c) appropriate reserves have been established to the extent required in accordance with GAAP; (d) non-payment could not reasonably be expected to have a Material Adverse Effect, nor result in forfeiture or sale of any material portion of the assets of the Person; (e) no Lien is imposed on any material portion of the assets of the Person, unless bonded and stayed to the extent reasonably requested by and to the satisfaction of Bank; and (f) if the obligation results from entry of a judgment or other order, such judgment or order is stayed pending appeal or other judicial review.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Real Estate” means all right, title and interest (whether as owner, lessor or lessee) in any real Property or any buildings, structures, parking areas or other improvements thereon.

“Release” means any release as such term is defined under the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 (22) et seq.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

“Restricted Investment” means any Investment by Borrower, other than (a) Investments in Subsidiaries; (b) Cash Equivalents to the extent permitted under the ABL Credit Agreement; and (c) Investments permitted under Section 6(c).

“Restricted Payment Conditions” means as of any date and in respect of any proposed transaction, the existence of the following conditions: (a) either (i) average unencumbered consolidated cash and Cash Equivalents of Borrower and its Subsidiaries on deposit in the United States in a U.S.-based depository institution after giving effect to such transaction on a pro forma basis during the preceding 30 day period is greater than or equal to \$200,000,000, or (ii) the Borrower's average borrowing availability under a domestic credit facility with one or more institutional lenders after giving effect to such transaction on a pro forma basis during the preceding 30 day period is greater than or equal to \$75,000,000, and on the date of such transaction, Borrower's actual borrowing availability under such credit facility is greater than or equal to \$75,000,000; and (b) no Default or Event of Default exists or would result from such transaction. For purposes of the foregoing, “institutional lenders” shall be lenders with headquarters in the United States and with a lending office for such facility in the United States, and a “domestic credit facility” shall provide for availability of funding in the United States.

“Restrictive Agreement” means an agreement (other than a Loan Document) that conditions or restricts the right of Borrower to incur or repay Borrowed Money, to grant Liens on any assets, to declare or make Distributions, or to modify, extend or renew any agreement evidencing Borrowed Money, or to repay any Intercompany Debt.

“S&P” means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

“Senior Indentures” means those certain indentures, by and among Borrower, certain Subsidiaries thereof and the trustee party thereto and each governing one of either series of the Senior Notes, as each such indenture may be amended, supplemented, or otherwise modified from time to time.

“Senior Notes” means (a) the Senior Floating Rate Notes due 2014 issued by Borrower pursuant to an indenture, dated as of June 12, 2007, in the aggregate original principal amount of \$300,000,000 (the “2014 Notes”), (b) the 7% Senior Notes due 2019 issued by Borrower pursuant to an indenture, dated as of May 10, 2011, in the aggregate original principal amount of \$500,000,000, and (c) any registered notes issued by Borrower in exchange for, and as contemplated by, any of the Senior Notes with substantially identical terms as the Senior Notes.

“Senior Officer” means the chairman of the board, president, chief executive officer, chief financial officer or treasurer of Borrower.

“Senior Subordinated Indenture” means the certain indenture, by and among Borrower, certain Subsidiaries thereof and the trustee party thereto and governing the Senior Subordinated Notes, as such indenture may be amended, supplemented, or otherwise modified from time to time.

“Senior Subordinated Notes” means (a) the 8.125% Senior Subordinated Notes due 2016 issued by Borrower pursuant to an indenture, dated as of February 15, 2006, and (b) any registered notes issued by Borrower in exchange for, and as contemplated by, any of the Senior Subordinated Notes with substantially identical terms as the Senior Subordinated Notes.

“Solvent” means, as to any Person as of the date of determination, such Person (a) owns Property whose fair salable value is greater than the amount required to pay all of its debts (including contingent, subordinated, unmatured and unliquidated liabilities); (b) owns Property whose present fair salable value (as defined below) is greater than the probable total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person as they become absolute and matured; (c) is able to pay all of its debts as they mature; (d) has capital that is not unreasonably small for its business and is sufficient to carry on its business and transactions and all business and transactions in which it is about to engage; (e) is not “insolvent” within the meaning of Section 101(32) of the Bankruptcy Code; and (f) has not incurred (by way of assumption or otherwise) any obligations or liabilities (contingent or otherwise) under any Loan Documents, or made any conveyance in connection therewith, with actual intent to hinder, delay or defraud either present or future creditors of such Person or any of its Affiliates. “Fair salable value” means the amount that could be obtained for assets within a reasonable time, either through collection or through sale under ordinary selling conditions by a capable and diligent seller to an interested buyer who is willing (but under no compulsion) to purchase. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

“Subordinated Debt” means liabilities the repayment of which is expressly subordinated to repayment of the Loan to Bank and approved by Bank as Subordinated Debt for purposes of this Agreement.

“Subsidiary” means any corporation or other entity at least 50% of whose voting securities or Equity Interests is owned by Borrower (including indirect ownership by Borrower through other entities in which Borrower directly or indirectly owns at least 50% of the voting securities or Equity Interests); provided that, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a “qualifying share” of the first Person shall be deemed to be outstanding.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Title Insurance” is defined in Section 3(l).

“UCC” means the Uniform Commercial Code as in effect in the State of California or, when the laws of any other jurisdiction govern the perfection or enforcement of any Lien, the Uniform Commercial Code of such jurisdiction.

“Unfunded Pension Liability” means the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

2. Loan.

(a) General. Subject to the terms, provisions, covenants and conditions of this Agreement, Bank shall make the Loan to Borrower in the Loan Amount. The Loan shall be made in a single advance. Amounts repaid may not be reborrowed.

(b) Note; Deed of Trust; Security Documents. The Loan shall be (1) evidenced by a single promissory note (the “Note”) executed by Borrower in the form of *Exhibit A* annexed hereto and made a part hereof, which Note shall be (x) dated as of the Closing Date, (y) payable to the order of Bank and (z) in a principal amount equal to the Loan Amount, and (2) secured by (x) a deed of trust, security agreement, fixture filing and assignment of leases and rents (the “Deed of Trust”) made by Borrower to Old Republic National Title Insurance Company as trustee, for the benefit of Bank, constituting a first lien on all of the right, title and interest of Borrower in and to the property known as and located at 30 and 60 E. Plumeria Drive, 2700 North First Street and 2701 Zanker Road, San Jose, California, as more particularly described therein (the “Mortgaged Property”), and (y) an environmental compliance agreement (the “Environmental Indemnity”) made by Borrower to Bank, whereby Borrower agrees to indemnify Bank to the extent set forth therein with respect to Environmental Law matters (the Deed of Trust, the Environmental Indemnity and all of the other Loan Documents which serve as collateral securing the Loan are collectively referred to herein as the “Security Documents”).

(c) Interest Rate. Except as otherwise provided in this Agreement, the interest rate (the “Interest Rate”) during the term of the Loan shall be, at Borrower's option, a rate per annum equal to LIBOR or the Prime Rate, as the case may be, plus the Applicable Margin. To request the initial Interest Rate or Interest Rates or a conversion of an outstanding LIBOR Rate Loan to a Prime Rate Loan or from a Prime Rate Loan to a LIBOR Rate Loan, or to make an election of the next succeeding Interest Period for a LIBOR Rate Loan, Borrower shall give Bank, prior to 11:00 a.m. (Pacific time), at least three Business Days prior to date of a requested conversion or the expiration of an Interest Period, as applicable, written notice of a rate election (a “Notice of Rate Election”), which shall be irrevocable and shall specify (1) whether the applicable portion of the Loan is to be converted into or continued as a Prime Rate Loan or a LIBOR Rate Loan and (2) if the applicable portion is to be converted into or continued as a LIBOR Rate Loan, the length of the next succeeding Interest Period. If no Notice of Rate Election is received with respect to a LIBOR Rate Loan on the 3rd Business Day prior to the end of the Interest Period with respect thereto, that LIBOR Rate Loan shall be continued with an Interest Period that corresponds to the Interest Period then ending; *provided* that the end of such Interest Period is not later than the Maturity Date. Notwithstanding any other provision contained in this Agreement, after giving effect to all advances and continuations or conversions, there shall not be more than four (4) different Interest Periods in effect at any time.

(d) Computation of Interest. The annual interest rate for this Loan is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Each determination by Bank of any interest, fees or interest rate hereunder shall be final, conclusive and binding for all purposes, absent manifest error.

(e) Inability to Determine Rates. In the event that Bank shall have reasonably determined (which determination shall, absent manifest error, be final, conclusive and binding on Borrower) that on any date for determining LIBOR, by reason of changes affecting the London interbank market, or Bank's position therein, (1) deposits in U.S. dollars are not being offered to banks in the relevant interbank market for the applicable Interest Period of any LIBOR Rate Loan or (2) adequate and fair means do not exist for ascertaining LIBOR, then in such event, Bank shall give telephonic or written notice to Borrower of such determination. Until Bank notifies Borrower that the circumstances giving rise to the suspension described herein no longer exist, Bank shall not be required to make or maintain a LIBOR Rate Loan and the alternative rate of interest offered under this Agreement shall apply or, if no such rate is offered, the rate of interest shall be determined by Bank in its sole discretion.

(f) Interest Payments. Interest shall be payable, in arrears, on the last Business Day of each Interest Period, except that during any period when all or part of the Loan bears interest based on the Prime Rate, interest based on the Prime Rate shall be payable on the first Business Day of each month and on the date of conversion of the Loan or that portion of the Loan to a LIBOR Rate Loan; *provided* that interest on LIBOR Rate Loans shall be payable no less frequently than on the last Business Day of each quarter.

(g) Default Rate.

(1) Default Interest Rate. If any Event of Default shall occur, including failure to pay upon final maturity, Bank, at its option, may increase the interest rate on the Obligations to the Default Rate for the duration of the Event of Default. The Default Rate will not exceed the maximum rate permitted by applicable law.

(2) Late Charge. If a payment is more than 10 days late, Borrower will be charged **five percent (5.00%)** of the unpaid portion of the overdue payment.

(h) Final Payment; Maturity Date; Prepayments; Other Payments.

(1) Borrower shall make payment in full of the Loan, plus all accrued and unpaid interest thereon, on the earlier to occur of (A) July 19, 2015, as such date may be extended at Borrower's option for a maximum of two (2) successive periods of one (1) year each, each such option exercisable no earlier than one hundred twenty (120) days prior to the then-existing Maturity Date upon at least thirty (30) days prior written notice to Bank and in each case subject to Bank's prior written consent in its sole discretion (the "Maturity Date") or (B) the date the Obligations may otherwise become due and payable hereunder.

(2) Prior to the Maturity Date, Borrower may, from time to time on any Business Day, make a voluntary prepayment, in whole or in part, of the outstanding Loan Amount; *provided, however*, that all such voluntary prepayments shall:

(A) Require at least five (5) Business Days prior written notice to Bank before 12:00 p.m. Pacific time on the date of any such prepayment (the "Prepayment Notice"); be in a minimum amount and in integral multiples of \$1,000,000 (the "Prepayment Amount"); and

(B) be received by Bank on a prepayment date that is not later than [11:00 a.m. Pacific time] on a Business Day for same day credit (the "Prepayment Date").

Any Prepayment Notice may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by Borrower (by notice to Bank on or prior to the specified Prepayment Date) if such condition is or will not be satisfied.

(3) LIBOR Breakage. Concurrently with any voluntary prepayment made during the term of the Loan, if a LIBOR Rate is in effect at the time of prepayment and the prepayment occurs on a day other than the last day of the Interest Period, then, in addition to the interest otherwise due and payable (including any interest accrued at the Default Rate) and any amounts due and payable pursuant to Section 2(j), Borrower shall pay to Bank an amount equal to the positive difference, if any, between the amount of interest that would accrue at the Market Rate (as hereinafter defined) on the amount prepaid for the remainder of the applicable Interest Period and the amount of interest that would accrue for such Interest Period based the Interest Rate then in effect for such Interest Period ("LIBOR Breakage"). For the purposes hereof, "Market Rate" means the rate of interest per annum at which deposits in United States Dollars are offered by Bank's principal office in London, England, to prime banks in the London interbank market at 11:00 a.m. (London time) two (2) Business Days before the date of prepayment in an amount substantially equal to the amount prepaid and for a deposit period comparable to the remaining Interest Period, as determined by Bank, in Bank's sole and absolute discretion. No LIBOR Breakage shall be payable in connection with payment of principal due on the Maturity Date.

(4) Payments. All payments by Borrower pursuant to this Agreement or any other Loan Document in respect of principal or interest shall be made, without setoff, deduction, claim or counterclaim, on the date due. Notwithstanding the foregoing, all payments by Borrower pursuant to this Agreement or any other Loan Documents shall be subject to all applicable withholding or other similar taxes, subject to Borrower's obligation to make payment under Section 2(j) of this Agreement

with respect to such withholding or taxes. All payments received by Bank from or on behalf of Borrower pursuant to this Agreement or any other Loan Document shall, regardless of the application designated by Borrower, be applied, in Bank's sole and absolute discretion, to any sum due or owing pursuant to the terms, provisions, covenants and conditions of this Agreement or any other Loan Document. Whenever any payment to be made shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, commissions and fees, if any, in connection with such payment.

(i) Illegality. In the event that Bank shall have reasonably determined (which determination shall, absent manifest error, be final, conclusive and binding on Borrower) at any time that compliance by Bank in good faith with any applicable law, rule, regulation or order, or any request, guideline, or directive (whether or not having the force of law) of any governmental authority, prohibits or restrains the making or continuance of any LIBOR Rate Loan, then, in any such event, Bank shall give prompt telephonic notice to Borrower of such determination, whereupon: (1) Borrower's right to request a LIBOR Rate Loan or continue the Loan or applicable portion of the Loan as a LIBOR Rate Loan shall be immediately suspended; and (2) that portion of the Loan bearing interest based on LIBOR shall automatically and immediately convert to a Prime Rate Loan, and shall be subject to Section 2(j). Until Bank notifies Borrower that the circumstances giving rise to the suspension described herein no longer exist (which Bank agrees to provide at such time when such circumstances no longer exist), the Loan shall bear interest based on the Prime Rate as provided in Section 2(c).

(j) Increased Costs. If, (A) by reason of any Change in Law, or the compliance with any guideline or request from any central bank or other governmental or quasi-governmental authority exercising supervisory authority over Bank or its holding company or their activities (whether or not having the force of law) after the Closing Date, (1) Bank shall be subject to any tax, duty or other charge with respect to any portion of the Loan, or the basis of taxation of payments to Bank of the principal of or interest on any portion of the Loan shall change (except for changes in the rate of tax on the net income of Bank (including franchise taxes imposed on it in lieu of net income taxes), imposed by the jurisdiction in which Bank's principal office or its holding company's principal office or its lending office is located); (2) any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, deposit insurance or similar requirement against assets of, deposits with or for the account of, or credit extended by, Bank shall be imposed or deemed applicable or any other condition affecting any portion of the Loan shall be imposed on Bank or the secondary eurodollar market; (3) Bank is required to increase the amount of capital required to be maintained or the rate of return on capital to Bank, is reduced, (4) any payment is subject to withholding or similar taxes as provided in Subsection (h)(4) above (excluding withholding taxes resulting from an assignment or participation pursuant to Section 12); or (5) Borrower is not permitted by law to pay any tax imposed on Bank and described in Section 3.06 of the Deed of Trust; and as a result of any of the foregoing there shall be any increase in the cost to Bank of making, funding or maintaining any portion of the Loan, or there shall be a reduction in the amount received or receivable by Bank, or in the rate of return to Bank, then Borrower shall from time to time, upon written notice from and demand by Bank pay to Bank within five (5) Business Days after the date specified in such notice and demand, additional amounts sufficient to compensate Bank against such increased cost, reduced amount received or diminished return. A certificate as to the amount required to compensate Bank (which request shall set forth in reasonable detail the basis for requesting such amount), submitted to Borrower by Bank, shall, except for manifest error, be final, conclusive and binding for all purposes. The provisions of this Section shall survive repayment of the Loan and cancellation of this Agreement.

(k) Loss Compensation. Borrower shall compensate Bank, upon its written request (which request shall set forth in reasonable detail the basis for requesting such amount), for all losses, expenses and liabilities (including, without limitation, any interest paid by Bank on funds borrowed by it to make or carry any LIBOR Rate Loan to the extent not recovered by Bank in connection with the re-employment of such funds), which Bank may sustain: (1) if for any reason a conversion to, or a borrowing of, any LIBOR Rate Loan does not occur on the date specified therefor in the relevant Notice of Borrowing or Notice of Rate Election or otherwise, as the case may be (unless such failure is directly caused by Bank); or (2) if any repayment (or conversion to a Prime Rate Loan) of a LIBOR Rate Loan occurs on a date which is not the last day of the then current Interest Period whether, in the case of repayment, such repayment is voluntary or occurs for any other reason including maturity, or whether, in the case of conversion, such conversion occurs for any reason specified in Section 2(i). In addition, in the event of any such repayment or failure

to borrow or convert, Borrower shall also compensate Bank for the loss of any profits Bank would have received had any such LIBOR Rate Loan not been repaid or if such borrowing or conversion had occurred, including LIBOR Breakage payable under Section 2(h)(3). Absent manifest error, Bank's request shall be final, conclusive and binding upon Borrower. The provisions of this Section shall survive repayment of the Loan and the termination of this Agreement.

(l) Mitigation. Upon the occurrence of any event giving rise to the operation of Sections 2(e), 2(i) or 2(j), Bank will, if requested by Borrower use reasonable efforts (subject to overall policy considerations of Bank) to designate another lending office for the Loan; *provided* that such designation is made on such terms that Bank and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequences of the event giving rise to the operation of such Section.

3. Conditions Precedent to Funding of the Loan. The Loan shall be made hereunder on the date (the "Closing Date") when the following conditions have been satisfactorily fulfilled, in the sole and absolute discretion of Bank:

(a) Borrower shall have executed and delivered this Agreement, the Note, the Deed of Trust and all other Loan Documents to Bank;

(b) Bank shall have received, except as otherwise provided in this Agreement, (1) acknowledgments of all filings or recordations necessary to perfect its Liens in the Mortgaged Property, as well as UCC and Lien searches and other evidence satisfactory to Bank that such Liens are the only Liens upon the Mortgaged Property, except Permitted Liens, and (2) evidence that all filing and recording fees and taxes have been duly paid;

(c) no Material Adverse Effect shall have occurred since October 1, 2011;

(d) there shall be no action, suit, investigation or proceeding pending or, to the knowledge of Borrower, threatened in writing in any court or before any arbitrator or Governmental Authority that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(e) Bank shall have received, in form and substance reasonably satisfactory to it, (1) financial projections of Borrower and its Subsidiaries evidencing the ability of Borrower to comply with the financial covenant set forth in Section 7 and (2) interim financial statements for Borrower dated no earlier than one hundred twenty (120) days prior to the Closing Date;

(f) Borrower shall have paid (1) a non-refundable commitment fee equal to 0.40% of the Loan Amount (one-half of which was paid on July 3, 2012), (2) a non-refundable tax service fee to monitor tax payments in an amount equal to \$315 and (3) all other fees, expenses and other amounts (including reasonable fees and expenses of counsel for Bank) to be paid to Bank on the Closing Date;

(g) Bank shall have received an Appraisal of the Mortgaged Property, in form and substance and from an Appraiser satisfactory to Bank, in Bank's sole and absolute discretion, together with such other reports, audits or certifications as it may reasonably request;

(h) Bank shall have received all documentation and other information required by regulatory authorities under applicable Anti-Terrorism Laws and "know your customer" rules and regulations;

(i) all representations of Borrower in this Agreement and in the other Loan Documents shall be true and correct in all material respects and no Default or Event of Default shall have occurred and be continuing;

(j) Bank shall have received a certificate, in form and substance satisfactory to it, from a knowledgeable Senior Officer of Borrower certifying that, after giving effect to the Loan and transactions hereunder, as of the Closing Date: (1) Borrower and its Subsidiaries, on a consolidated basis, are Solvent; (2) no Default or Event

of Default exists; and (3) the representations and warranties set forth in Section 4 are true and correct in all material respects;

(k) Bank shall have received a certificate of the secretary or assistant secretary of Borrower, certifying (1) that attached certified copies of Borrower's certificate of incorporation and bylaws and all amendments thereto as in effect on the Closing Date (collectively, the "Formation Documents") are true and complete, and in full force and effect, without amendment except as shown; (2) that an attached copy of resolutions authorizing execution and delivery of the Loan Documents is true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to this credit facility; and (3) to the title, name and signature of each Person authorized to sign the Loan Documents; and (4) that attached copies of a good standing certificate from the Secretary of State of Delaware and a certificate of foreign qualification from the Secretary of State of California;

(l) Bank shall have received, at Borrower's sole cost and expense, an ALTA policy of title insurance ("Title Insurance") for the Deed of Trust, issued by a nationally-recognized title insurance company acceptable to Bank, with such endorsements as Bank may require, showing fee title to the Mortgaged Property in Borrower, and insuring Bank that the Deed of Trust is a first and prior lien on such fee for the full amount of the Deed of Trust, subject only to such exceptions as shall be approved by Bank in its sole and absolute discretion;

(m) Bank shall have received a copy of a flood insurance policy no later than ten (10) days prior to the Closing Date, covering any portion of the Mortgaged Property that is determined to be in a flood hazard area (Zone A or V);

(n) Bank shall have received (1) insurance certificates and endorsements evidencing that Borrower has obtained the Insurance in accordance with Sections 5(f) and 5(g) and (2) evidence that all premiums theretofore due and payable thereon have been paid for a period of not less than one year from the Closing Date;

(o) Bank shall have completed its business, financial and legal due diligence of Borrower, its Subsidiaries and the Mortgaged Property;

(p) All unpaid and delinquent Taxes which are a lien on the Mortgaged Property as of the Closing Date shall have been paid in full and Bank shall have received copies of receipted bills therefore or other evidence of payment reasonably acceptable to Bank;

(q) Bank shall have received a fully executed copy of an undertaking (the "Environmental Undertaking") in form and substance satisfactory to Bank, pursuant to which Borrower agrees to perform lead based paint and asbestos surveys prior to the commencement of any renovations at the Mortgaged Property to the extent required by Environmental Law and in accordance with Environmental Law;

(r) Bank shall have received a fully executed copy of the Authorization Agreement authorizing Bank to make withdrawals from the Debt Service Account pursuant to the terms of this Agreement; and

(s) Borrower shall have paid all Broker Fees then due and payable.

4. Representations and Warranties. In order to induce Bank to enter into this Agreement and to make the Loan, Borrower hereby makes the following representations and warranties, all of which shall survive the delivery of this Agreement and the making of the Loan:

(a) Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Borrower is duly qualified, authorized to do business and in good standing as a foreign corporation in each jurisdiction where failure to be so qualified could reasonably be expected to have a Material Adverse Effect;

(b) Borrower is duly authorized to execute, deliver and perform the Loan Documents to which it is a party. The execution, delivery and performance of the Loan Documents to which it is a party have been duly authorized by all necessary action on the part of Borrower, and do not (1) require any consent or approval of any holders of Equity Interests of Borrower, other than those already obtained; (2) contravene the Formation Documents of Borrower; (3) violate or cause a default under any Applicable Law or Material Contract; or (4) result in or require the imposition of any Lien (other than Permitted Liens) on any Property of Borrower;

(c) Borrower has, is in compliance with, and is in good standing with respect to, all material Governmental Approvals necessary to conduct its business and to own, lease and operate its Properties. No consent, approval, permit, exemption, action, order or authorization of, or filing, registration or qualification (all of the foregoing are collectively referred to as “Consents”) with, or with respect to, any court, regulatory agency or other governmental body is required in connection with the execution, delivery and performance by Borrower of this Agreement or any other Loan Document (other than (x) those Consents already obtained, taken or made and which are, and shall continue to be, in full force and effect; (y) proper recording of the Deed of Trust with the Santa Clara County Recorder's Office); and (z) those expressly contemplated by the Loan Documents.

(d) Each Loan Document is a legal, valid and binding obligation of Borrower, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by equitable principles (regardless of whether enforcement is sought in equity or at law);

(e) The consolidated balance sheets, and related statements of income, cash flow and shareholder's equity, of Borrower that have been and are hereafter delivered to Bank, together with the Borrower's Annual Report on Form 10-K for the fiscal year ended October 1, 2011 and its Quarterly Reports on Form 10-Q for the fiscal quarters ended December 31, 2011 and March 31, 2012 filed with the Securities and Exchange Commission, are prepared in accordance with GAAP (subject to changes from audit and year end adjustments and the absence of footnotes in the case of unaudited financial statements), and fairly present in all material respects the financial positions and results of operations of Borrower and its Subsidiaries at the dates and for the periods indicated. All projections delivered from time to time by Borrower to Bank have been prepared in good faith, based on assumptions believed by management of Borrower to be reasonable in light of the circumstances at such time (it being understood that projections are not to be viewed as facts and that actual results during the period or periods covered by the projections may differ from the projections and that such differences may be material). Since October 1, 2011, there has been no change in the condition, financial or otherwise, of Borrower and its Subsidiaries, taken as a whole, that could reasonably be expected to have a Material Adverse Effect;

(f) Except as shown on **Schedule 4(f)** to the Disclosure Letter, there are no proceedings or investigations pending or, to Borrower's knowledge, threatened in writing against Borrower or any Subsidiary, or any of their businesses, operations or Property, that (1) relate to any Loan Documents or transactions contemplated thereby; or (2) could reasonably be expected to have a Material Adverse Effect. Neither Borrower nor any Subsidiary is in default with respect to any order, injunction or judgment of any Governmental Authority binding on it;

(g) No event or circumstance has occurred or exists that constitutes a Default or Event of Default. Borrower is not in material default, and no event or circumstance has occurred or exists that with the passage of time or giving of notice would constitute a material default, under any Material Contract. To Borrower's knowledge, there is no basis upon which any party (other than Borrower) could terminate a Material Contract prior to its scheduled termination date;

(h) All Liens of Bank in the Mortgaged Property are (or will be, upon the proper recording of the Deed of Trust with the Santa Clara County Recorder's Office) duly perfected (except to the extent that perfection with respect to such Property is not required under any Loan Document), first priority Liens, subject only to Permitted Liens. The tax lots for the Mortgaged Property do not include any properties other than the Mortgaged Property;

(i) The insurance coverage of Borrower as in effect on the Closing Date complies with the requirements of Section 5(f) and is outlined as to carrier, policy number, expiration date, type, amount and deductibles on **Schedule 4(i)** to the Disclosure Letter;

(j) (1) Neither Borrower nor, to Borrower's knowledge, any existing or prior owner, tenant or subtenant of the Premises, nor any other party, is the subject of any civil or criminal investigation or enforcement proceeding, whether administrative or judicial, respecting any Hazardous Substance on or affecting the Premises or any violation of any Environmental Law with respect to the Premises;

(2) The Premises are not currently used in a manner which violates any Environmental Law in any material respect or which could give rise to material liability for Hazardous Substances, nor do conditions exist on or affect the Premises which would violate any such law in any material respect or which could give rise to such material liability;

(3) No private litigation involving the Premises is pending against Borrower, nor, to Borrower's knowledge, against any prior or existing owners, tenants or subtenants of the Premises or any other persons, nor, to Borrower's knowledge, is any such litigation threatened, which seeks any remedy based upon a violation of any Environmental Law for any injury to any person, property, animal life or vegetation caused by a Hazardous Substance or for removal or remediation of any Hazardous Substance;

(4) Neither Borrower nor, to Borrower's knowledge, any tenant or subtenant of the Premises or any other person, has received any written notice from any governmental or quasi-governmental agency with respect to (x) the unauthorized Release of any Hazardous Substance on or affecting the Premises or (y) any material violation of Environmental Law with respect to or affecting the Premises, Borrower, any tenant or subtenant or any other party;

(5) Since October 1, 2011, there has not been a material unauthorized Release on or affecting the Premises, nor, to Borrower's knowledge, is there presently the threat of such a Release, nor, to Borrower's knowledge, is there any asbestos or asbestos-containing materials on the Premises (with the exception of encapsulated asbestos pipe wrappings in the basement); and

(6) Borrower and all existing tenants and subtenants of the Premises possess all required Environmental Permits with respect to the Premises and are in compliance in all material respects with such permits;

(k) Borrower has filed all material federal, state, provincial, territorial, municipal, local and foreign tax returns and other reports that it is required by law to file, and has paid and remitted, or made provision for the payment and remittance of, all its material Taxes that are due and payable, except to the extent being Properly Contested. The provision for Taxes on the books of Borrower and each Subsidiary has been established in accordance with GAAP for all years not closed by applicable statutes, and for its current Fiscal Year;

(l) Except as disclosed on **Schedule 4(l)** to the Disclosure Letter:

(1) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code, and other federal and state laws. Each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the knowledge of Borrower, nothing has occurred which would prevent, or cause the loss of, such qualification. Borrower and each ERISA Affiliate has made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan;

(2) There are no pending or, to the knowledge of Borrower, threatened (in writing) claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted in or could reasonably be expected to have a Material Adverse Effect;

(3) (A) No ERISA Event has occurred or is reasonably expected to occur; (B) no Pension Plan has any Unfunded Pension Liability; (C) neither Borrower nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (D) neither Borrower nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (E) neither Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA;

(m) Borrower is not engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No Loan proceeds will be used by Borrower to purchase or carry, or to reduce or refinance any Debt incurred to purchase or carry, any Margin Stock or for any related purpose governed by Regulations T, U or X of the Board of Governors;

(n) Borrower is not (1) an "investment company" or a "person directly or indirectly controlled by or acting on behalf of an investment company" within the meaning of the Investment Company Act of 1940; or (2) subject to regulation under the Federal Power Act, the Interstate Commerce Act, any public utilities code or any other Applicable Law regarding its authority to incur Borrowed Money;

(o) No Loan Document, nor any material factual information furnished by or on behalf of Borrower in writing to Bank in connection with the transactions contemplated hereby, when taken as a whole together with the other Loan Documents and all other such material factual information and Borrower's filings with the Securities and Exchange Commission, contains any untrue statement of a material fact, nor fails to disclose any material fact necessary to make the statements contained therein not materially misleading. There is no fact or circumstance that Borrower has failed to disclose to Bank in writing or that is not disclosed in Borrower's filings with the Securities and Exchange Commission that could reasonably be expected to have a Material Adverse Effect;

(p) Borrower has duly complied, and the Mortgaged Property is in compliance, in all respects with all Applicable Law and all applicable insurance underwriting requirements, including all zoning, building, housing, subdivision, environmental, flood plain requirements, except where noncompliance could not reasonably be expected to have a Material Adverse Effect. Borrower has not received any citations, notices, claims or orders of material noncompliance under any Applicable Law which, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(q) Borrower owns or has the lawful right to use all material Intellectual Property necessary for the conduct of its business, without conflict in any material respect with any Intellectual Property rights of others. There is no pending or, to Borrower's knowledge, threatened (in writing) Intellectual Property Claim with respect to Borrower or any of its Property (including any Intellectual Property) which could reasonably be expected to have a Material Adverse Effect;

(r) Borrower and its Subsidiaries, on a consolidated basis, are Solvent;

(s) The Obligations (to the extent they fall within the definition of "Senior Debt" in the Senior Subordinated Indenture) are hereby designated as "Designated Senior Debt" for purposes of and as defined in the Senior Subordinated Indenture. Borrower has taken all actions necessary for the Obligations (to the extent they fall within the definition of "Senior Debt" in the Senior Subordinated Indenture) to constitute "Senior Debt" and "Designated Senior Debt" for the purposes of and as defined in the Senior Subordinated Indenture;

(t) (1) (A) none of the funds or other assets of Borrower or of any Subsidiary of Borrower constitute property of, or are beneficially owned, directly or indirectly, by, any person subject to trade restrictions under the laws of the United States, including those who are covered by the International Emergency Economic Powers Act, 50 U.S.C. §§1701 *et seq.*, The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*, and any executive orders or regulations promulgated thereunder (an "Embargoed Person") with the result that Bank Exposure (as hereinafter

defined) will occur; (B) to Borrower's knowledge, no Embargoed Person has any interest of any nature whatsoever (whether directly or indirectly) in Borrower with the result that Bank Exposure will occur; and (C) none of the funds of Borrower have been derived from any unlawful activity with the result that Bank Exposure will occur. For the purposes hereof, "Bank Exposure" shall mean any one or more of the following: (w) the Loan is in violation of applicable law, or (x) the Mortgaged Property or any portion thereof (including, without limitation, the rents or other income to be derived therefrom) is subject to forfeiture or to being frozen, seized, sequestered or otherwise impaired by any governmental authority, or (y) the Loan or any payments made or to be made in respect thereof (including, without limitation, principal and interest) is subject to forfeiture or to being frozen, seized, sequestered or otherwise impaired by a governmental authority or Bank or any of Bank's collateral for the Loan or the lien priority thereof or any of Bank's rights or remedies in respect of the Loan or the collateral therefor is otherwise impaired or adversely affected, or (z) Bank is subject to criminal or civil liability or penalty;

(2) Borrower is not in violation of the U.S. Federal Bank Secrecy Act, as amended, and its implementing regulations (31 CFR part 103), the Patriot Act, any order issued with respect to anti-money laundering by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), or any other anti-money laundering law with the result that Bank Exposure will occur;

(3) Borrower is not a Person with whom people of the United States are restricted from doing business with under (a) regulations issued by OFAC (including those persons and entities named on OFAC's Specially Designated Nationals and Blocked persons list) or under any law of the United States (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or (b) any other law, if, with respect to either clause (a) or (b) of this Section 17(u)(3), Bank Exposure will occur. Without limiting the foregoing, Borrower is not presently funding its obligations hereunder with funds from any of the persons referred to in this Section 17(u)(3) if Bank Exposure will occur; and

(u) Borrower is not a party or subject to any contract, agreement or charter restriction that could reasonably be expected to have a Material Adverse Effect. Borrower is not is party or subject to any Restrictive Agreement, except as permitted by Section 6(i). No such Restrictive Agreement prohibits the execution, delivery or performance of any Loan Document by Borrower.

5. Affirmative Covenants. So long as this Agreement shall be in effect or any obligations under this Agreement (other than contingent amounts not yet due) or the Loan shall remain outstanding, Borrower shall to comply with each of the following covenants, unless Bank otherwise consents in writing:

(a) Books and Records; Financial Reporting. Borrower shall keep adequate records and books of account with respect to its business activities, in which proper entries are made that are sufficient to prepare financial statements in accordance with GAAP; and furnish to Bank:

(1) as soon as available, and in any event within 90 days after the end of each Fiscal Year, balance sheets as of the end of such Fiscal Year and the related statements of income, cash flow and stockholders' equity for such Fiscal Year, on consolidated basis for Borrower and its Subsidiaries, which consolidated statements shall be audited and certified (without qualification as to going concern or scope of audit and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP and that the audit by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards in the United States) by a firm of independent certified public accountants of recognized standing selected by Borrower and reasonably acceptable to Bank (it being understood that KPMG LLP is acceptable to Bank), and shall set forth in comparative form corresponding figures for the preceding Fiscal Year;

(2) as soon as available, and in any event within 45 days after the end of each of the first three Fiscal Quarters in any Fiscal Year, unaudited balance sheets as of the end of such Fiscal Quarter and the related statements of income and cash flow for such Fiscal Quarter and for the portion of the

Fiscal Year then elapsed, on consolidated basis for Borrower and its Subsidiaries, setting forth in comparative form corresponding figures for the preceding Fiscal Year and certified by the chief financial officer of Borrower as prepared in accordance with GAAP and fairly presenting in all material respects the financial position and results of operations for Borrower and its Subsidiaries for such Fiscal Quarter and period, subject to normal year-end adjustments and the absence of footnotes;

(3) concurrently with delivery of financial statements under clauses (1) and (2) above, or more frequently if requested by Bank while a Default or Event of Default exists, a Compliance Certificate executed by the chief financial officer or treasurer of Borrower;

(4) concurrently with delivery of financial statements under clause (1) above, copies of all management letters and other material reports submitted to Borrower by its accountants in connection with such financial statements;

(5) not later than 75 days after the end of each Fiscal Year, projections of Borrower's consolidated balance sheets, results of operations and cash flow for the next Fiscal Year, quarter by quarter;

(6) promptly after the sending or filing thereof, copies of any proxy statements, financial statements or reports that Borrower has made generally available to its shareholders; and copies of any regular, periodic and special reports or registration statements or prospectuses that Borrower files with the Securities and Exchange Commission or any other Governmental Authority, or any securities exchange (excluding listing applications and other routine reports filed with any securities exchange); and

(7) no later than thirty (30) days after Bank's request therefor, such other reports and information (financial or otherwise) as Bank may request from time to time in connection with the Mortgaged Property or Borrower's financial condition or business, which reports and information shall be accurate as of a date no earlier than sixty (60) days prior to Bank's request;

Documents required to be delivered pursuant to clauses (1), (2) or (6) (to the extent such documents are included in materials otherwise filed with the Securities and Exchange Commission) may be delivered electronically, shall be deemed to have been delivered on the date on which such documents are posted on Borrower's behalf on an Internet or intranet website, if any, to which Bank has access (whether a commercial, third-party website or whether sponsored by Bank); *provided* that Borrower shall notify Bank (by telecopier or electronic mail) of the posting of any such documents and shall deliver paper copies of such documents to Bank upon request;

(b) Notices. Borrower shall notify Bank in writing, promptly after Borrower's obtaining knowledge thereof, of any of the following that affects Borrower: (1) the non-frivolous threat in writing or commencement of any proceeding or investigation, whether or not covered by insurance, that if adversely determined could reasonably be expected to have a Material Adverse Effect; (2) any pending or threatened labor dispute, strike or walkout, or the expiration of any material labor contract, in each case involving employees of Borrower or any of its Subsidiaries; (3) any default under or termination (other than at the end of its term in accordance with such Material Contract) of a Material Contract; (4) the existence of any Default or Event of Default; (5) any judgment in an amount exceeding \$10,000,000; (6) the assertion of any Intellectual Property Claim, if an adverse resolution could reasonably be expected to have a Material Adverse Effect; (7) any violation or asserted violation of any Applicable Law (including ERISA, OSHA, FLSA, or any Environmental Law), if an adverse resolution could reasonably be expected to have a Material Adverse Effect; (8) the occurrence of any ERISA Event in an amount exceeding \$10,000,000; (9) any information of which Borrower is aware or becomes aware regarding any Release of Hazardous Substance on or affecting the Premises that could reasonably be expected to result in a Material Adverse Effect; or (10) the discharge of or any withdrawal or resignation by Borrower's independent accountants or any material change in accounting treatment or reporting practices other than, in the case of this clause (9), those disclosed in Borrower's Quarterly Reports on Form 10-Q or Annual Reports on Form 10-K filed with the Securities and Exchange Commission;

(c) Payment of Obligations. Borrower shall pay and discharge as the same shall become due and payable, all its material obligations and liabilities, including all lawful material claims which, if unpaid, would by law become a Lien upon its Property unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves to the extent required in accordance with GAAP are being maintained by Borrower;

(d) Preservation of Existence. Except as otherwise permitted hereunder, Borrower shall at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business; *provided*, Borrower shall not be required to preserve any such existence, right or franchise, licenses and permits if the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to Borrower or to Bank;

(e) Maintenance of Property. Borrower shall: (1) maintain, preserve and protect its material Property necessary to the operation of its business in good working order and condition, ordinary wear and tear excepted; and (2) make all necessary repairs thereto and renewals and replacements thereof; in each of the foregoing clauses (1) and (2), except where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(f) Mortgaged Property Insurance. Borrower shall procure and maintain original policies of the types of insurance required by the Deed of Trust ("Insurance").

(g) General Insurance. In addition to the Insurance required in the foregoing clause (f) and the Deed of Trust with respect to the Mortgaged Property, Borrower shall maintain insurance with insurers (with a Best Rating of at least A7, unless otherwise approved by Bank, which approval shall not be unreasonably withheld, delayed or conditioned) reasonably satisfactory to Bank, with respect to the Properties and business of Borrower of such type (including product liability, workers' compensation, larceny, embezzlement, or other criminal misappropriation insurance), in such amounts, and with such coverages and deductibles as are customary for companies similarly situated;

(h) Compliance with Laws. Borrower shall comply with all Applicable Laws, including ERISA, Environmental Law, FLSA, OSHA, Anti-Terrorism Laws, and laws regarding collection, payment and remittance of Taxes, and maintain all Governmental Approvals necessary to the ownership of its Properties or conduct of its business, unless failure to comply (other than failure to comply with applicable Anti-Terrorism Laws) or maintain could not reasonably be expected to have a Material Adverse Effect;

(i) Access; Inspection. Borrower shall permit Bank from time to time, subject (except when a Default or Event of Default exists) to reasonable notice, security requirements and normal business hours, to visit and inspect the Mortgaged Property for the purpose of conducting an inspection of the Mortgaged Property, provided Bank shall conduct only one such inspection in any Loan Year (except when a Default or Event of Default exists). Borrower shall reimburse Bank for all reasonable charges, costs and expenses of Bank in connection with such annual inspection of the Mortgaged Property; *provided, however*, that if an examination is initiated during the existence of a Default or Event of Default, all reasonable charges, costs and expenses therefor shall be reimbursed by Borrower without regard to such limits. Subject to and without limiting the foregoing, Borrower specifically agrees to pay Bank's then standard charges for each day that an employee of Bank is engaged in any inspection activities. This Section shall not be construed to limit Bank's right to use third parties for such inspections;

(j) Compliance with Material Contracts. Borrower shall perform and observe all of the terms and conditions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect, enforce each such Material Contract in accordance with its terms, except where the failure to do so, either individually or in the aggregate, could not be reasonably likely to have a Material Adverse Effect;

(k) Taxes. Borrower shall pay, remit and discharge all material Taxes prior to the date on which they become delinquent or penalties attach, unless such Taxes are being Properly Contested; *provided* that Taxes that are determined to have been due as a result of a subsequent audit notwithstanding a good faith determination by Borrower that such Taxes were not payable at the time such Taxes are determined to have been due shall not be deemed

to be delinquent for purposes of this Section 5(k) so long as such Taxes are paid and discharged promptly following the taxing authority's determination that the Taxes were due, unless such determination is being Properly Contested;

(l) Debt Service Account. Borrower shall maintain at all times during the term of the Loan a deposit account (the "Debt Service Account") with Bank of America, N.A. or another acceptable bank which shall have a balance in immediately available funds on the dates on which installments of principal, interest and escrow amounts, if any, are due sufficient to pay the installments due hereunder. Borrower shall execute an Authorization Agreement for Loan Payment Services in the form of *Exhibit C* hereto (the "Authorization Agreement") authorizing Bank to debit the Debt Service Account for payment of the installments of principal, interest and escrow amounts, if any, due and owing under the Loan.

(m) ABL Credit Agreement. Borrower shall provide Bank with a copy of each amendment, modification, restatement or supplement to the ABL Credit Agreement within three Business Days after the day on which such amendment, modification, restatement or supplement is approved and give Bank an opportunity to provide its agreement or consent thereto for purposes of the definition of "ABL Credit Agreement."

6. Negative Covenants. So long as this Agreement shall be in effect or any obligations under this Agreement (other than contingent amounts not yet due) or the Loan shall remain outstanding, Borrower shall not, unless Bank otherwise consents in writing:

(a) Liens. Create or suffer to exist any Lien upon the Mortgaged Property, except the following (collectively, "Permitted Liens"):

(1) Liens in favor of Bank;

(2) Liens for Taxes not yet delinquent or being Properly Contested;

(3) statutory, common law or contractual Liens of landlords, creditor depository institutions or institutions holding securities accounts (including rights of set-off or similar rights and remedies), carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law (other than Liens for Taxes or imposed under ERISA) arising in the Ordinary Course of Business, but only if (i) payment of the obligations secured thereby is not yet due or is being Properly Contested, and (ii) such Liens do not materially impair the value or use of the Property or materially impair operation of the business of Borrower;

(4) Liens arising in the Ordinary Course of Business that are subject to Lien Waivers;

(5) Liens arising by virtue of a judgment or judicial order against Borrower or any Property of Borrower not constituting an Event of Default under Section 8(a)(7), provided that such Liens are (i) in existence for less than 20 days or being Properly Contested, and (ii) at all times junior to Bank's Liens;

(6) any interest or title of a lessor or sublessor under any lease of real estate not prohibited hereby;

(7) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(8) Liens shown in the Title Insurance obtained pursuant to Section 3(l);

(9) easements, rights-of-way, covenants, conditions, restrictions and other similar encumbrances on title to the Mortgaged Property that, in each case, do not, individually or in the aggregate, materially interfere with the use of the Mortgaged Property by Borrower; and

(10) other immaterial Liens incident to the ordinary course of business that are not incurred in connection with any Debt and that do not individually or in the aggregate materially impair the use or value of the Mortgaged Property;

(b) Indebtedness. Create, incur, guarantee or suffer to exist any Borrowed Money, except:

- (1) the Obligations;
- (2) Subordinated Debt;
- (3) the ABL Debt; and

(4) Debt of Borrower that is not included in any of the preceding clauses of this Section, to the extent expressly permitted pursuant to the ABL Credit Agreement;

(c) Investments. Make any Restricted Investment, except to the extent expressly permitted by Section 10.2.4 of the ABL Credit Agreement; *provided*, in no event shall Borrower make any Investment which results in or facilitates in any manner any Distribution not otherwise permitted under the terms of Section 6(f) at a time when such section is in effect. For purposes of determining compliance with the provisions of this Section 6(c), equity Investments made by Borrower (the “contributor”) in any Subsidiary that are effected pursuant to one or more equity contributions made contemporaneously or in prompt succession by the contributor and/or any of its Subsidiaries shall be deemed one Investment by the contributor;

(d) Fundamental Changes. Change its name or conduct business under any fictitious name; change its tax or other organizational identification number; change its form or jurisdiction of organization or merge, amalgamate, combine or consolidate with any Person, or liquidate, wind up its affairs or dissolve itself, in each case whether in a single transaction or in a series of related transactions, except (1) for mergers, amalgamations or consolidations of a wholly-owned Subsidiary into Borrower, (2) in connection with a Permitted Acquisition (including a “squeeze out” merger); and (3) changes in its name, tax or other organizational identification number or form of jurisdiction of organization upon 30 days prior written notice to Bank and provided that as a result of any such change no Lien granted to Bank hereunder ceases to be a valid, perfected Lien with the priority required hereunder;

(e) Sales and Dispositions of Assets. Make any Asset Disposition, except:

- (1) the granting of Permitted Liens; and
- (2) Asset Dispositions permitted pursuant to Section 10.2.5 of the ABL Credit Agreement;

(f) Distributions. Declare or make any Distributions, other than (1) Distributions permitted pursuant to Section 10.2.3 of the ABL Credit Agreement and (2) Distributions if, at the time, the Restricted Payment Conditions are satisfied;

(g) Nature of Business. Engage in any business, other than its business as conducted on the Closing Date or any Permitted Business, and in each case any activities incidental thereto;

(h) Affiliate Transactions. Enter into or be party to any transaction with an Affiliate, except (1) transactions contemplated or permitted by the Loan Documents; (2) payment of reasonable compensation to officers and employees for services actually rendered, benefit plans for officers and employees entered into or maintained and established in the Ordinary Course of Business, and loans and advances permitted by Section 6(c); (3) payment of customary directors' fees and indemnities; (4) transactions between Borrower and any of its Subsidiaries; (5) transactions with Affiliates that were consummated prior to the Closing Date; and (6) transactions with Affiliates upon fair and reasonable terms fully disclosed to Bank and no less favorable than would be obtained in a comparable arm's-length transaction with a non-Affiliate;

(i) Restrictive Agreements. Become a party to any Restrictive Agreement, other than restrictions (1) in agreements evidencing Debt permitted by the ABL Credit Agreement; (2) by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses, joint venture agreements and other agreements entered into in the Ordinary Course of Business; (3) that are or were created by virtue of any transfer of, agreement to transfer or option or right with respect to any property, assets or Equity Interests not otherwise prohibited under this Agreement; (4) in the ABL Credit Agreement, the Indentures, the Senior Notes or the Senior Subordinated Notes or in other documents related to such Debt; (5) under or in connection with any joint venture agreements, partnership agreement, stock sale agreements and other similar agreements; provided that (A) any such agreements are entered into in the Ordinary Course of Business and in good faith, and (B) such restrictions are reasonably customary for such agreements; (6) under any agreement, instrument or contract affecting property or a Person at the time such property or Person was acquired by Borrower, so long as such restriction relates solely to the property or Person so acquired and was not created in connection with or in anticipation of such acquisition; (7) existing by virtue of, or arising under, applicable law, regulation, order, approval, license, permit, grant or similar restriction, in each case issued or imposed by a Governmental Authority; and (8) permitted under Section 10.2.13 of the ABL Credit Agreement;

(j) Use of Proceeds. Use the proceeds of any Loan, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose;

(k) Accounting Changes. Make any material change in accounting treatment or reporting practices, except as required by GAAP or Applicable Law; or change its Fiscal Year;

(l) Certain Payments. If the Restricted Payment Conditions are not satisfied at the time thereof, make any payments (whether voluntary or mandatory, or a prepayment, redemption, retirement, defeasance or acquisition) with respect to any (1) Subordinated Debt, except repayment of the Senior Subordinated Notes from the proceeds of the Loan hereunder and regularly scheduled payments of principal, interest and fees and payments upon mandatory redemption or prepayment, but in each case only to the extent permitted under any subordination agreement relating to such Debt (and a Senior Officer of Borrower shall certify to Bank, not less than five Business Days prior to the date of payment, that all conditions under such agreement have been satisfied); or (2) Borrowed Money (other than the Subordinated Debt, the Obligations and the obligations under the ABL Credit Agreement) prior to its due date (except scheduled payments of principal, interest and fees and payments upon mandatory redemption or prepayment) under the agreements evidencing such Debt as in effect on the Closing Date (or as amended thereafter with the consent of Bank); *provided* that, Borrower may honor any conversion request by a holder of any Convertible Indebtedness of Borrower and make cash payments in lieu of fractional shares in connection with the conversion of any Convertible Indebtedness; and

(m) Amendments to Other Debt Documents. Amend, supplement or otherwise modify the ABL Credit Agreement, the Indentures, any other document, instrument or agreement relating to the Senior Notes or any Subordinated Debt, if such modification (1) increases the principal balance of such Debt, or increases any required payment of principal or interest; (2) accelerates the date on which any installment of principal or any interest is due, or adds any additional redemption, put or prepayment provisions; (3) shortens the final maturity date or otherwise accelerates amortization; (4) increases the interest rate; (5) increases or adds any fees or charges (excluding any fees or charges for amendments, consents or waivers); (6) modifies any covenant in a manner or adds any representation, covenant or default that is, more onerous or restrictive in any material respect for Borrower, or that is otherwise materially adverse to Borrower or Bank; or (7) results in the Obligations not constituting "Senior Debt" under the Senior Subordinated Indentures or otherwise not being fully benefited by the subordination provisions thereof;

provided, however, that the restrictions in Sections 6(b), 6(f), 6(l) and 6(m) shall not be operative, and Borrower shall not be subject thereto, so long as any provisions prohibiting such restrictions in the ABL Credit Agreement (as in effect from time to time, for the purposes of this proviso) remain in effect.

7. Financial Covenant. So long as this Agreement shall be in effect or any obligations under this Agreement (other than contingent obligations not yet due) or the Loan shall remain outstanding, Borrower shall maintain a Fixed Charge Coverage Ratio of at least 1.25:1.00 at the end of each Fiscal Quarter.

8. Events of Default. (a) Each of the following shall constitute an “Event of Default” under this Agreement and the other Loan Documents:

(1) Non-Payment of Obligations. Borrower fails to pay (A) the principal of, or premium on, any Loan when due (whether at stated maturity, on demand, upon acceleration or otherwise); or (B) any interest on any Loan or any fee or other amount due hereunder within two (2) Business Days after the date due;

(2) Non-Performance of Covenants. Borrower breaches or fails to perform any covenant contained in **Section 5(a)** (other than clauses (1) and (2) thereof), **5(f)**, **5(g)**, **5(i)**, **6** or **7**; *provided*, that if Borrower breaches or fails to perform the covenant contained in **Section 6(a)** as a result of an involuntary Lien upon the Mortgaged Property, such breach or failure shall not constitute an Event of Default under this clause (2) unless such breach or failure is not cured within 30 days after Borrower receives written notice thereof from any source, *provided further*, that such 30 day period shall run concurrently with (and shall not be extended by) any cure period or period in which Borrower may Properly Contest a Lien in accordance with Section 6(a) of this Agreement, which defines Permitted Lien;

(3) Non-Performance of Other Obligations. (A) Borrower breaches or fails to perform any covenant contained in **Section 5(a)(1)** or **Section 5(a)(2)** and such breach or failure is not cured within 15 days after a Senior Officer of Borrower has knowledge thereof or receives notice thereof from Bank, whichever is sooner, or (B) Borrower breaches or fails to perform any other covenant contained in any Loan Documents (not covered by clause (1), (2), or (3)(A) of this Section 8(a)), and such breach or failure is not cured within 30 days after a Senior Officer of Borrower has knowledge thereof or receives notice thereof from Bank, whichever is sooner; provided, however, that such notice and opportunity to cure shall not apply if the breach or failure to perform is not capable of being cured within such period or is a willful breach by Borrower;

(4) Breach of Representation or Warranty. Any representation, warranty or other written statement of Borrower made in connection with any Loan Document or transactions contemplated thereby is incorrect or misleading in any material respect when given;

(5) Cross-Default. Any breach or default of Borrower occurs under any document, instrument or agreement to which it is a party or by which it or any of its Properties is bound, relating to any Borrowed Money (other than the Obligations), Debt in respect of Hedging Agreements or Debt arising from any obligation owed for all or any part of the deferred purchase price of property or services, which purchase price is (x) due more than six months from the date of incurrence of the obligation in respect thereof or (y) evidenced by a note or similar written instrument, in each case in excess of the Dollar Equivalent of \$50,000,000, if the maturity of or any payment with respect to such Debt may be accelerated or demanded due to such breach (it being understood that the amount of Debt in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that would be required to be paid if such Hedging Agreement were terminated at such time);

(6) Bankruptcy, Insolvency, etc.

(A) Borrower is enjoined, restrained or in any way prevented by any Governmental Authority from conducting any material part of its business for any material period of time; Borrower suffers the loss, revocation or termination of any material license, permit, lease or agreement necessary to its business; there is a cessation of any material part of Borrower's business for a material period of time; the Mortgaged Property of Borrower is taken or impaired through condemnation; or Borrower is not Solvent; or

(B) An Insolvency Proceeding is commenced by Borrower; Borrower makes an offer of settlement, extension, arrangement, proposal (or notice of intention to make a proposal) or composition to its unsecured creditors generally; a trustee, receiver, interim receiver, receiver-manager, monitor or similar official or custodian is appointed to take possession of the Mortgaged Property or to operate any of the business of Borrower; or an Insolvency Proceeding is commenced against Borrower and Borrower consents to institution of the proceeding, the petition commencing the proceeding is not timely contested by Borrower, the proceeding is not dismissed within 60 days after filing or institution, or an order for relief is entered in the proceeding (items (A) and (B) of this Section 8(a)(6) each being referred to herein as a “Bankruptcy Event”);

(7) Judgments. Any (A) material non-monetary judgment or order is entered against Borrower or (B) judgment or order for the payment of money is entered against Borrower in an amount that exceeds, individually or cumulatively with all unsatisfied judgments or orders against all Borrower, the Dollar Equivalent of \$50,000,000 (net of any insurance coverage therefor acknowledged in writing by the insurer), unless, in each case, no later than 60 days after the entry thereof, a stay of enforcement of such judgment or order is in effect, by reason of a pending appeal or otherwise, or such judgment is satisfied, discharged, vacated or bonded;

(8) ERISA. An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of Borrower to a Pension Plan, Multiemployer Plan or PBGC in excess of \$40,000,000, or that constitutes grounds for appointment of a trustee for or termination by the PBGC of any Pension Plan or Multiemployer Plan; Borrower or an ERISA Affiliate fails to pay when due any installment payment in excess of \$5,000,000 with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan;

(9) Invalidity. Borrower denies or contests the validity or enforceability of any Loan Documents or Obligations, or the perfection or priority of any Lien granted to Bank; or any Loan Document ceases to be in full force or effect for any reason or any Lien ceases to be a valid, perfected Lien with the priority required hereunder (in each case other than as expressly permitted hereby or pursuant to a waiver or release by Bank); or

(10) Change of Control. A Change of Control occurs.

(b) (i) Upon the occurrence and during the continuation of an Event of Default (other than a Bankruptcy Event) and at any time thereafter Bank may, in addition to any other rights or remedies available to Bank pursuant to this Agreement and the other Loan Documents or at law or in equity, take such action, without notice or demand, that Bank deems advisable to protect and enforce Bank's rights against Borrower and in the Property, including, without limitation, declaring the Obligations to be immediately due and payable, and Bank may enforce or avail itself of any or all rights or remedies provided in the Loan Documents and may exercise all the rights and remedies of a secured party under the UCC against Borrower and the Mortgaged Property, including, without limitation, all rights or remedies available at law or in equity; and upon any Bankruptcy Event, the Obligations and all other obligations of Borrower hereunder and under the other Loan Documents shall immediately and automatically become due and payable, without notice or demand, and Borrower hereby expressly waives any such notice or demand, anything contained herein or in any other Loan Document to the contrary notwithstanding.

(ii) Upon the occurrence and during the continuation of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Bank against Borrower under this Agreement or any of the other Loan Documents executed and delivered by, or applicable to, Borrower or at law or in equity may be exercised by Bank at any time and from time to time, whether or not all or any of the Obligations shall be declared due and payable, and whether or not Bank shall have commenced any foreclosure proceeding or other action for the enforcement of Bank's rights and remedies under any of the Loan Documents with respect to the Mortgaged Property. Any such actions taken by Bank shall be cumulative and concurrent and may be pursued independently, singularly, successively, together or otherwise, at such time and in such order as Bank may determine in Bank's sole

discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of Bank permitted by law, equity or contract or as set forth herein or in the other Loan Documents.

9. Costs and Expenses. Borrower covenants and agrees to pay or, if Borrower fails to pay, to reimburse, Bank upon receipt of written notice from Bank for all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by Bank in accordance with this Agreement in connection with (a) the preparation, negotiation, execution and delivery of this Agreement, the Deed of Trust and the other Loan Documents and the consummation of the transactions contemplated hereby and thereby; (b) Borrower's ongoing performance of and compliance with Borrower's agreements and covenants contained in this Agreement, the Deed of Trust and the other Loan Documents on its part to be performed or complied with after the date hereof, including, without limitation, confirming compliance with environmental and insurance requirements; (c) the negotiation, preparation, execution, delivery and administration of any amendments, waivers or other modifications to this Agreement and the other Loan Documents and any other documents or matters requested by Bank; (d) securing Borrower's compliance with any requests made pursuant to the provisions of this Agreement; (e) the filing and recording of the Deed of Trust and any other documents required to be filed or recorded pursuant to this Agreement, (f) obtaining any Insurance or Title Insurance, (g) Bank's and Bank's counsel's review of the condition of the Mortgaged Property and all documentation, appraisals and reports required by Bank in connection therewith, (h) the modification or amendment of this Agreement, the Deed of Trust and the other Loan Documents; (i) enforcing or preserving any rights, in response to third party claims or the prosecuting or defending of any action or proceeding or other litigation, in each case against, under or affecting Borrower this Agreement, the other Loan Documents or the Mortgaged Property, or any other security given as collateral for the Loan; and (j) enforcing any obligations of or collecting any payments due from Borrower under this Agreement, the other Loan Documents or with respect to the Property or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or of any insolvency or bankruptcy proceedings.

10. Indemnification. In consideration of the execution and delivery of this Agreement by Bank and the extension of the Loan, Borrower hereby agrees to indemnify, exonerate and hold Bank and Bank's parent, affiliates and subsidiaries (collectively, "Bank Entities") and Bank's and Bank Entities' officers, directors, employees, attorneys, agents and representatives (Bank, Bank Entities and each such person or party are hereinafter each referred to individually as a "Bank Party" and collectively as the "Bank Parties") harmless from and against any and all actions, causes of action, suits, losses, liabilities, damages, costs and expenses (irrespective of whether such Bank Party is a party to the action for which indemnification hereunder is sought), including, without limitation, reasonable attorneys' fees and disbursements (the "Indemnified Liabilities"), incurred by Bank Parties or any of them as a result of, or arising out of, or relating to:

- (a) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the Loan; or
- (b) Borrower's failure to perform its obligations under this Agreement or any of the other Loan Documents,

except in each case for any such Indemnified Liabilities arising for the account of a particular Bank Party by reason of the relevant Bank Party's gross negligence or willful misconduct, and if and to the extent that the foregoing undertaking may be unenforceable for any reason, Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

11. Notices. (a) Except as otherwise provided for herein, all notices, demands and other communications (each, a "Notice") provided to any party hereto under this Agreement of any of the other Loan Documents shall be in writing and addressed to such party at its address set forth below or at such other address as may be designated by such party from time to time to the other parties in a Notice complying as to delivery with the terms of this Section 11.

If to Borrower

Sanmina-SCI Corporation
2700 North First Street
San Jose, California 95134
Attn: [Brian Casey, Treasurer]
Fax: (408) 964-3644
Email: brian.casey@sanmina-sci.com

If to Bank

Union Bank, N.A.
Technology, Media and Telecommunications Group
National Banking
350 California Street, 17th Floor
(MC: H 1740)
San Francisco, CA 94104
Attn: Annabella Guo and Michael Kus
Phone: (415) 705 -7506
(415) 705-7430
Email: Annabella.guo@unionbank.com
Michael.kus@unionbank.com

With a copy to:

Union Bank, N.A.
Attn: Asset Management
P.O. Box 30115
Los Angeles, CA 90030-0115
Fax: (323) 720-7836
Attn: Manager

and a copy to:

Bingham McCutchen LLP
Three Embarcadero Center
San Francisco, CA 94111
Attn: Thomas G. Reddy
Phone: (415) 398-2188
Fax: (415) 262-9227
Email: thomas.reddy@bingham.com

All Notices hereunder and under any applicable law pertaining hereto shall be in writing and shall be deemed sufficiently given or served for all purposes when delivered (1) by personal service or courier service, and shall be deemed given on the date when signed for or, if refused, when refused by the person designated as an agent for receipt of service, (2) by overnight by a nationally recognized courier (e.g., Federal Express, UPS), and shall be deemed given one Business Day after being sent, (3) by United States certified mail, return receipt requested, postage prepaid, or (4) transmittal by facsimile or electronic mail, and shall be deemed given two Business Days after being sent, to any party hereto at the applicable address set forth above.

(b) Each party agrees that such party shall not refuse or reject delivery of any Notice given in accordance with this Section 11, that such party shall acknowledge, in writing, the receipt of any Notice upon request by the other party, and that any Notice refused or rejected by any party shall be deemed for purposes of this Section 11 to have been received by the refusing or rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service, the courier service or facsimile transmission instrument.

12. Assignment/Participation by the Holder Hereof.

(a) The Bank may, at any time, sell, transfer or assign the Loan Documents, or grant participations therein ("Participations") or syndicate the Loan ("Syndication").

(b) Subject to Section 13(m), the Bank may forward to each purchaser, transferee, assignee, or servicer of, and each participant, or investor in, the Loan, or any Participations or any of their respective successors (collectively, the "Investor") all documents and information which Bank now has or may hereafter acquire relating to the Obligations and to Borrower, any member, shareholder or partner thereof, and the Mortgaged Property, including

financial statements, whether furnished by Borrower or otherwise, as Bank determines necessary or desirable. The Bank shall cause any Investor to keep any information disclosed to such Investor confidential.

(c) Borrower agrees to cooperate with Bank in connection with any sale or transfer of the Loan, Syndication or any Participation created pursuant to this Section 12; provided that all costs and expenses arising from such sale, transfer, Participation or Syndication shall be paid by Bank.

13. Miscellaneous.

(a) Amendments. This Agreement may not be waived, supplemented, amended, modified or discharged except by a written agreement executed by Borrower and Bank.

(b) Severability. Any term, provision, covenant or condition of this Agreement or any other Loan Document 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 terms, provisions, covenants and conditions of this Agreement or such other Loan Document or affecting the validity or enforceability of such term, provision, covenant or condition in any other jurisdiction.

(c) Headings. The various headings of this Agreement and any other Loan Document are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or such other Loan Document or any of the terms, provisions, covenants and conditions hereof or thereof.

(d) Facsimile; Counterparts; Effectiveness, etc. The receipt by Bank of a facsimile of Borrower's signatures hereto shall be deemed to be incontrovertible evidence that Borrower has executed and delivered this Agreement with the same force and effect as though the original executed Agreement has been delivered. This Agreement may be executed by the parties hereto in counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. This Agreement shall become effective when counterparts hereof shall be executed and delivered on behalf of Borrower and Bank.

(e) Governing Law; Entire Agreement. This Agreement will be governed by federal law applicable to Bank and, to the extent not preempted by federal law, the laws of the State of New York without reference to principles of conflicts of law, except to the extent that matters of title or creation, perfection or priority of Liens created hereby or procedural issues of foreclosure or enforcement of remedies are required to be governed by the laws of the jurisdiction where the Mortgaged Property is located. This Agreement and the other Loan Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and supersede any prior agreements, written or oral, with respect thereto.

(f) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns; *provided, however*, that Borrower may not assign or transfer any or all of Borrower's rights or obligations hereunder without the prior written consent of Bank, which consent may be withheld by Bank in Bank's sole and absolute discretion.

(g) Broker Fees. Borrower warrants and represents to Bank that it has not retained, nor is it obligated to, any person for brokerage, finder's or similar services in connection with the transactions contemplated by this Agreement, and that no commission, finder's fee or other brokerage or agent's compensation can be properly claimed by any person or entity based upon the acts of such party with regard to the transactions which are the subject matter of this Agreement, with the exception of Newmark Knight Frank Cornish & Carey Commercial, broker for Borrower ("Borrower's Broker"). Borrower shall be responsible for all brokerage fees (the "Broker Fees") payable to Borrower's Broker in accordance with a separate agreement between Borrower and Borrower's Broker, and Borrower shall indemnify and defend Bank against and hold Bank harmless from all Claims arising from or relating to any claim for a commission, fee or other compensation made by any brokers or parties with which Borrower has dealt in connection with this Agreement or the transactions contemplated hereby, including Borrower's Broker.

(h) Further Assurances. Borrower shall, at the cost and expense of Borrower, and without expense to Bank, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, assignments, security agreements, control agreements, notices of assignments, transfers and assurances as Bank shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Bank the security interests intended by the Loan Documents and rights hereby granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Bank, or for carrying out the intention or facilitating the performance of the terms of this Agreement and the other Loan Documents, or for complying with all legal requirements. Borrower, on demand, shall deliver, and in the event Borrower shall fail to so deliver, hereby authorizes Bank to file, in the name of Borrower one or more financing statements and financing statement amendments to evidence more effectively, perfect and maintain the priority of the security interest of Bank, in the Mortgaged Property. Borrower grants to Bank an irrevocable power of attorney coupled with an interest, exercisable only after the occurrence and during the continuance of an Event of Default, for the purpose of exercising and perfecting any and all rights and remedies available to Bank at law and in equity, including without limitation, such rights and remedies available to Bank pursuant to this Section 12(h).

(i) Construction. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

(j) Actions, Approvals and Determinations. Wherever in this Agreement it is provided that (a) as a condition precedent to Borrower undertaking certain action, Borrower shall be required to obtain Bank's consent or approval or (b) Bank shall have the right to make a determination (including, without limitation, a determination as to whether a matter is satisfactory to Bank), or if Borrower shall request that Bank take any action, then, unless expressly provided to the contrary in the applicable provision of this Agreement, the decision whether to grant such consent or approval or to take the requested action, or the determination in question, shall be in the sole and exclusive discretion of Bank and shall be final and conclusive. Wherever in this Agreement it is stated that any consent or approval shall not be unreasonably withheld or that a determination to be made by Bank shall be subject to a specified standard, then, if a court of competent jurisdiction determines, without right to further appeal, that the consent or approval shall be deemed granted or the standard shall be deemed met, as the case may be, then Bank, at the request of Borrower, shall deliver to Borrower written confirmation thereof. In any instance in which Borrower, or any Loan Document provides, that Bank shall consider granting Bank's consent or approval or making a determination or taking some other action, Borrower, upon demand, pay all costs, expenses and attorneys' fees and disbursements incurred by Bank in connection therewith.

(k) Relationship of Parties. Borrower acknowledges and agrees that Bank is not, has never been, and shall not be deemed to be a partner or a joint venturer of Borrower with respect to the Loan, the Mortgaged Property or otherwise and that the relationship of Bank to Borrower is, has always been, and shall continue to strictly be that of a lender to a borrower. Borrower hereby knowingly, voluntarily, intentionally, unconditionally and irrevocably waives and relinquishes all claims, demands, counterclaims and/or defenses alleging the existence of any partnership, joint venture or other fiduciary relationship between Bank and Borrower and Borrower shall hold Bank and Bank Parties, harmless from and against any and all losses, damages, penalties, fines, forfeitures, legal fees and related costs, judgments and any other fees, costs and expenses that Bank and/or Bank Parties may sustain as a result of any such allegation by any person or entity whatsoever.

(l) Forbearance. Any forbearance by Bank in exercising any right or remedy under this Agreement or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Bank of any payment after the due date of such payment (including, without limitation, after the Maturity Date, whether by acceleration or otherwise), or in an amount which is less than the required payment, shall not be a waiver of Bank's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt or full payment. Enforcement by Bank of any security for Borrower's obligations under this Agreement, the Note or any other Loan Document shall not constitute an election by Bank of remedies so as to preclude the exercise of any other right or remedy available to Bank.

(m) Confidentiality. Bank agrees to maintain the confidentiality of all Information (as defined below) with the same degree of care that it uses to protect its own confidential information (but in no event less than a reasonable degree of care), except that Information may be disclosed (a) on a need to know basis to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (provided such Persons are informed of the confidential nature of the Information and required to keep the Information confidential); (b) to the extent requested by any governmental or regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority); (c) to the extent required by Applicable Law or by any subpoena or similar legal process; (d) to the extent necessary in connection with the exercise of any remedies, the enforcement of any rights, or any action or proceeding relating to any Loan Documents; (e) subject to an agreement containing provisions substantially the same as this Section, to any Investor; (f) with the consent of Borrower; or (g) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) is available to Bank on a nonconfidential basis from a source other than Borrower; provided that prior to any disclosure pursuant to clause (c), to the extent practicable the party disclosing such Information shall use reasonable efforts to notify (to the extent not prohibited by Applicable Law) Borrower. Notwithstanding the foregoing, Borrower may publish or disseminate general information describing this credit facility, including the names and addresses of Borrower and a general description of Borrower's businesses, and, subject to the review and approval of Borrower may use Borrower's logos, trademarks or product photographs in advertising materials. As used herein, "Information" means all information received from Borrower or any of its Subsidiaries relating to it or its business that is identified as confidential when delivered. Any Person required to maintain the confidentiality of Information pursuant to this Section shall be deemed to have complied if it exercises the same degree of care that it accords its own confidential information, but in no event less than a reasonable degree of care. Bank acknowledges that (i) Information may include material non-public information concerning Borrower or of its Subsidiaries; (ii) it has developed compliance procedures regarding the use of material non-public information; and (iii) it will handle such material non-public information in accordance with Applicable Law, including federal, state, provincial, territorial and foreign securities laws.

(n) Waivers. Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment of maturity, presentment for payment, notice of nonpayment, grace, notice of acceleration of maturity, and diligence in collecting the Obligations (or any portion thereof) are waived by Borrower, all makers, endorsers and guarantors of this Agreement and/or the Note and all other third-party obligors.

(o) Waiver of Jury Trial, etc. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE BANK AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF THE BANK OR BORROWER. BORROWER HEREBY ACKNOWLEDGES AND AGREES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK'S ENTERING INTO THIS AGREEMENT AND THE LOAN. To the extent permitted by applicable law, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be resolved in the manner set forth in the Alternative Dispute Resolution Agreement between Borrower and Bank entered into on or about the date of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

BANK:

UNION BANK, N.A.,
a national banking association

By:/s/ Annabella Guo
Name: Annabella Guo
Title: Vice President

BORROWER:

SANMINA-SCI CORPORATION, a Delaware corporation

By: /s/ Robert K. Eulau
Name: Robert K. Eulau
Title: Executive Vice President and Chief Financial Officer

SANMINA-SCI CORPORATION
CODE OF BUSINESS CONDUCT AND ETHICS

I. INTRODUCTION

This Code of Business Conduct and Ethics helps ensure compliance with legal requirements and our standards of business conduct, and it applies to all worldwide employees (including executive officers) of Sanmina-SCI Corporation and its wholly-owned subsidiaries (collectively, the “Company”) and to members of its Board of Directors. All Company employees are expected to read and understand this Code of Business Conduct and Ethics, uphold these standards in day -to-day activities, comply with all applicable policies and procedures, and ensure that all agents and contractors are aware of, understand and adhere to these standards.

Because the principles described in this Code of Business Conduct and Ethics are general in nature, you should also review all applicable Company policies and procedures for more specific instruction, and contact the Human Resources Department or Legal Department if you have any questions.

Nothing in this Code of Business Conduct and Ethics, in any company policies and procedures, or in other related communications (verbal or written) creates or implies an employment contract or term of employment.

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code of Business Conduct and Ethics is subject to modification. This Code of Business Conduct and Ethics supersedes all other such codes, policies, procedures, instructions, practices, rules or written or verbal representations to the extent they are inconsistent.

Please sign the acknowledgment form at the end of this Code of Business Conduct and Ethics and return the form to the Human Resources Manager at your facility indicating that you have received, read, understand and agree to comply with the Code of Business Conduct and Ethics. The signed acknowledgment form will be located in your personnel file. Each year, as part of the annual review process, officers and other appropriate personnel will be asked to sign an acknowledgment indicating their continued understanding of and compliance with the Code of Business Conduct and Ethics. In addition, periodically, you may be asked to participate in seminars, training meetings and similar activities related to reinforcing your understanding of this Code of Business Conduct and Ethics and its applicability to the Company's business.

II. COMPLIANCE IS EVERYONE'S BUSINESS

Ethical business conduct is critical to our business. As an employee, your responsibility is to respect and adhere to these practices. Many of these practices reflect legal or regulatory requirements. Violations of these laws and regulations can create significant liability for you, the Company, its directors, officers, and other employees.

Part of your job and ethical responsibility is to help enforce this Code of Business Conduct and Ethics. You should be alert to possible violations and report possible violations to the Human Resources Department or the Legal Department. Violations can be reported as follows:

Mike Tyler
Executive Vice President, General Counsel & Corporate Secretary
Sanmina-SCI Corporation
2700 N. First Street
San Jose, CA 95134
Phone: (408) 964-3156
Fax: (408) 964-3888

The Company maintains an anonymous Open Door Hotline. The Hotline provides a method for employees to confidentially report suspected violations of this Code of Business Conduct and Ethics, either by toll-free phone access or web access. This Hotline is operated by a third-party service provider to ensure anonymity. Employees can access the Hotline as follows:

Telephone (from the United States/Canada): 1-866-879-0424
Please go to www.opendoor.ethicspoint.com for the current list of international numbers.

Internet: www.opendoor.ethicspoint.com

If you believe that, based on the nature of the suspected improprieties and the persons you believe to be involved, reporting violations to the Human Resources Department or the Legal Department would be ineffective, you may report such violations to the Chairperson of the Audit Committee or to the Chairperson of the Nominating and Governance Committee. Reports can be made to the Chairperson of the Audit Committee or the Chairperson of the Nominating and Governance Committee as follows:

Audit Committee

John P. Goldsberry
Sanmina-SCI Corporation
2700 N. First Street
San Jose, CA 95134
Phone: (408) 964-3850
jpgiii@yahoo.com

Nominating and Governance

Wayne Shortridge
Sanmina-SCI Corporation
2700 N. First Street
San Jose, CA 95134
wayneshortridge@gmail.com

The Company will promptly and thoroughly investigate all credible allegations of breaches of this Code of Business Conduct and Ethics as appropriate under the circumstances. You must cooperate in any internal or external investigations of possible violations.

You should know that reprisal, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code of Business Conduct and Ethics or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is both a violation of Company policy and is prohibited by a variety of state

and federal civil and criminal laws including the Sarbanes-Oxley Act of 2002. Accordingly, the Company will not permit the making of any reprisal, threats, retribution or retaliation or similar actions against any person making a good faith report of a suspected violation of law, this Code of Business Conduct and Ethics or other Company policies.

Violations of law, this Code of Business Conduct and Ethics or other Company policies or procedures by Company employees can lead to disciplinary action up to and including termination.

In trying to determine whether any given action is appropriate, use the following test. Imagine that the words you are using or the action you are taking is going to be fully disclosed in the media with all the details, including your photo. If you are uncomfortable with the idea of this information being made public, perhaps you should think again about your words or your course of action.

In all cases, if you are unsure about the appropriateness of an event or action, please seek assistance in interpreting the requirements of these practices by contacting the Legal Department.

III. **YOUR RESPONSIBILITIES TO THE COMPANY AND ITS STOCKHOLDERS**

A. **General Standards of Conduct**

The Company expects all employees, agents and contractors to exercise good judgment to ensure the safety and welfare of employees, agents and contractors and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. These standards apply while working on our premises or remotely, at offsite locations where our business is being conducted, at Company-sponsored business and social events, or at any other place where you are a representative of the Company. Employees, agents or contractors who engage in misconduct or whose performance is unsatisfactory may be subject to corrective action, up to and including termination. You should review our employment handbook for more detailed information.

B. **Applicable Laws**

All Company employees, agents and contractors must comply with all applicable laws, regulations, rules and regulatory orders. Company employees located outside of the United States must comply with laws, regulations, rules and regulatory orders of the United States, including the Foreign Corrupt Practices Act and the U.S. Export Control Act, in addition to applicable local laws. Each employee, agent and contractor must acquire appropriate knowledge of the requirements relating to his or her duties sufficient to enable him or her to recognize potential dangers and to know when to seek advice from the Legal Department on specific Company policies and procedures. Violations of laws, regulations, rules and orders may subject the employee, agent or contractor to individual criminal or civil liability, as well as to discipline by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

C. **Conflicts of Interest**

Each of us has a responsibility to the Company, our stockholders and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur. The Company is subject to scrutiny from many different individuals and organizations. We should always strive to avoid even the appearance of impropriety.

What constitutes a conflict of interest? A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

(i) **Employment/Outside Employment.** In consideration of your employment with the Company, you are expected to devote your full attention to the business interests of the Company. You are prohibited from engaging in any activity that interferes with your performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit any employee from accepting simultaneous full-time or part-time employment with another company without obtaining the consent of both your immediate supervisor and the General Counsel of the Company. Additionally, you must disclose to the Company any interest that you have that may conflict with the business of the Company. If you have any questions on this requirement, you should contact your supervisor or the Legal Department.

(ii) **Outside Directorships.** The Company views serving on the Board of Directors or in a similar capacity with any entity as a potential conflict of interest. Therefore, prior to accepting any such appointment, you must obtain the consent of both your immediate supervisor and the General Counsel of the Company. Such approval may be conditioned upon the completion of specified actions. Also, any compensation you receive for such service should be commensurate to your responsibilities.

(iii) **Business Interests.** If you are considering investing in a Company customer, supplier, developer or competitor, you must first take great care to ensure that these investments do not compromise your responsibilities to the Company. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; your ability to influence the Company's decisions; your access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company. Therefore, while owning a few hundred shares of a publicly traded "tier-one" competitor will not, by itself, violate Company policy, ownership of five or ten percent of the outstanding shares of a supplier to the Company might constitute a violation of Company policy.

(iv) **Related Parties.** As a general rule, you should avoid conducting Company business with a relative or significant other, or with a business in which a relative or significant other is associated in any significant role. In cases in which a relative or significant other of an executive officer or director is an employee of the Company, the direct supervisor of such relative or significant other should annually confirm to senior management and to the Company's Board of Directors that such relative's or significant other's employment, performance review or compensation was not influenced in any way by such relationship. Relatives include spouse, sister, brother, daughter, son, mother, father, grandparents, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws. Significant others include persons living in a spousal (including same sex) or familial fashion with an employee.

If such a related party transaction is unavoidable, you must fully disclose the nature of the related party transaction to the Company's Chief Financial Officer. If determined to be material to the Company by the Chief Financial Officer, the Company's Audit Committee must review and approve in writing in advance these related party transactions. The most significant related party transactions, particularly those involving the Company's directors or executive officers, must be reviewed and approved in writing in advance by the Company's Board of Directors. The Company must report all material related party transactions under applicable accounting rules, Federal securities laws (including rules and regulations of the Securities and Exchange Commission (SEC)), and stock market rules. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to this business.

The Company discourages the employment of relatives and significant others in positions or assignments within the same department and prohibits the employment of these individuals in positions that have a financial dependence or influence (e.g., an auditing or control relationship, or a supervisor/subordinate relationship). The purpose of this policy is to prevent the organizational impairment and conflicts that are a likely outcome of the employment of relatives or significant others, especially in a supervisor/subordinate relationship.

(v) **Other Situations.** Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind, you should consult the Legal Department.

D. **Corporate Opportunities**

Employees, officers and directors may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board of Directors declines to pursue such opportunity.

E. **Payments or Gifts**

Under no circumstances may employees, agents, contractors, vendors or consultants: (i) accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, or (ii) offer to pay, make payment, promise to pay, or issue authorization to pay any money, gift, or anything of value to customers in a manner that is intended, directly or indirectly, to influence any business decision or to cause any action or failure to act that would constitute the commitment of fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Questions regarding whether a particular payment or gift violates this policy are to be directed to Human Resources or the Legal Department.

F. **Protecting the Company's Confidential Information**

The Company's confidential information is a valuable asset. The Company's confidential information includes, but is not limited to, product architectures; source codes; product plans and road maps; names and lists of customers, dealers, and employees; and financial information. This information is the property of the Company and may be protected by patent, trademark, copyright and trade secret laws. All confidential information must be used for Company business purposes only. Every employee, agent and contractor must safeguard it. **THIS RESPONSIBILITY INCLUDES NOT DISCLOSING THE COMPANY'S CONFIDENTIAL INFORMATION SUCH AS INFORMATION REGARDING THE COMPANY'S PRODUCTS OR BUSINESS OVER THE INTERNET UNLESS YOU HAVE CONFIRMED THAT A NONDISCLOSURE AGREEMENT IS IN PLACE AND THAT THE ELECTRONIC COMMUNICATIONS ARE APPROPRIATELY SAFEGUARDED.** This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with the Company's policy on Maintaining and Managing Records set forth in Section III (L) of this Code of Business Conduct and Ethics. This obligation extends to confidential information of third parties, which the Company has rightfully received under Non-Disclosure Agreements. See the Company's policy dealing with Handling the Confidential Information of Others set forth in Section III (G) of this Code of Business Conduct and Ethics.

(i) **Proprietary Information and Inventions Agreement**. When you joined the Company, you signed an agreement to protect and hold confidential the Company's proprietary information. This agreement remains in effect for as long as you work for the Company and after you leave the Company. Under this agreement, you may not disclose the Company's confidential information to anyone or use it to benefit anyone other than the Company without the prior written consent of an authorized Company officer.

(ii) **Disclosure of Company Confidential Information**. To further the Company's business, from time to time our confidential information may be disclosed to potential business partners. However, such disclosure should never be done without carefully considering its potential benefits and risks. If you determine in consultation with your manager and other appropriate Company management that disclosure of confidential information is necessary, you must then contact the Legal Department to ensure that an appropriate written nondisclosure agreement is signed prior to the disclosure. The Company has standard nondisclosure agreements suitable for most disclosures. You must not sign a third party's nondisclosure agreement or accept changes to the Company's standard nondisclosure agreements without review and approval by the Company's Legal Department; provided, however, that this prohibition shall not apply to a document which you are required to sign in order to gain access to a particular location (e.g., the electronic document that certain companies require you to sign in order to get a badge). In addition, all Company materials that contain Company confidential information, including presentations, must be reviewed and approved by either an individual having the title of Vice President or higher or the Company's Legal Department prior to publication or use. Furthermore, any employee publication or publicly made statement that might be perceived or construed as attributable to the Company, made outside the scope of his or her employment with the Company, must be reviewed and approved in writing in advance by the Company's Legal Department and must include the Company's standard disclaimer that the publication or statement represents the views of the specific author and not of the Company.

(iii) **Requests by Regulatory Authorities**. The Company and its employees, agents and contractors must cooperate with appropriate government inquiries and investigations. In this context, however, it is important to protect the legal rights of the Company with respect to its confidential information. All government requests for information, documents or investigative interviews must be referred to the Company's Legal Department. No financial information may be disclosed without the prior written approval of the Chief Financial Officer.

(iv) **Company Spokespeople**. Specific policies have been established regarding who may communicate information to the press and the financial analyst community. All inquiries or calls from the press and financial analysts should be referred to the Chief Financial Officer or Investor Relations Department. The Company has designated its CEO, President/COO, CFO and Investor Relations Department as official Company spokespersons for financial matters. The Company has designated its Investor Relations Department as official Company spokespersons for marketing, technical and other such information. These designees are the only people who may communicate with the press on behalf of the Company.

G. **Handling the Confidential Information of Others**

The Company has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce the Company to enter into a business relationship. At other times, we may request that a third party provide confidential information to permit the Company to evaluate a potential business relationship with that party. Whatever the situation, we must take special care to handle the confidential information of

others responsibly. We handle such confidential information in accordance with our agreements with such third parties. See also the Company's policy on Maintaining and Managing Records in Section III (L) of this Code of Business Conduct and Ethics.

(i) **Appropriate Nondisclosure Agreements.** Confidential information may take many forms. An oral presentation about a company's product development plans may contain protected trade secrets. A customer list or employee list may be a protected trade secret. A demo of an alpha version of a company's new software may contain information protected by trade secret and copyright laws.

You should never accept information offered by a third party that is represented as confidential, or which appears from the context or circumstances to be confidential, unless an appropriate nondisclosure agreement has been signed with the party offering the information. **THE LEGAL DEPARTMENT CAN PROVIDE NONDISCLOSURE AGREEMENTS TO FIT ANY PARTICULAR SITUATION, AND WILL COORDINATE APPROPRIATE EXECUTION OF SUCH AGREEMENTS ON BEHALF OF THE COMPANY.** Even after a nondisclosure agreement is in place, you should accept only the information necessary to accomplish the purpose of receiving it, such as a decision on whether to proceed to negotiate a deal. If more detailed or extensive confidential information is offered and it is not necessary, for your immediate purposes, it should be refused.

(ii) **Need-to-Know.** Once a third party's confidential information has been disclosed to the Company, we have an obligation to abide by the terms of the relevant nondisclosure agreement and limit its use to the specific purpose for which it was disclosed and to disseminate it only to other Company employees with a need to know the information. Every employee, agent and contractor involved in a potential business relationship with a third party must understand and strictly observe the restrictions on the use and handling of confidential information. When in doubt, consult the Legal Department.

(iii) **Notes and Reports.** When reviewing the confidential information of a third party under a nondisclosure agreement, it is natural to take notes or prepare reports summarizing the results of the review and, based partly on those notes or reports, to draw conclusions about the suitability of a business relationship. Notes or reports, however, can include confidential information disclosed by the other party and so should be retained only long enough to complete the evaluation of the potential business relationship. Subsequently, they should be either destroyed or turned over to the Legal Department for safekeeping or destruction. The Legal Department will make a judgment as to whether such notes can be destroyed or whether they should be retained in accordance with the Company's records retention policies. Such notes should be treated just as any other disclosure of confidential information is treated: marked as confidential and distributed only to those Company employees with a need to know.

(iv) **Competitive Information.** You should never attempt to obtain a competitor's confidential information by improper means, and you should especially never contact a competitor regarding their confidential information. While the Company may, and does, employ former employees of competitors, we recognize and respect the obligations of those employees not to use or disclose the confidential information of their former employers.

H. **Obligations Under Securities Laws - "Insider" Trading**

Obligations under the U.S. securities laws apply to everyone. In the normal course of business, officers, directors, employees, agents, contractors and consultants of the Company may come into possession of significant, sensitive information. This information is the property of the Company -- you

have been entrusted with it. You may not profit from it by buying or selling securities yourself, or passing on the information to others to enable them to profit or for them to profit on your behalf. The purpose of this policy is both to inform you of your legal responsibilities and to make clear to you that the misuse of sensitive information is contrary to Company policy and U.S. securities laws.

Insider trading is a crime, penalized by fines of up to \$5,000,000 and 20 years in jail for individuals. In addition, the SEC may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from the trading. Insider traders must also disgorge any profits made, and are often subjected to an injunction against future violations. Finally, insider traders may be subjected to civil liability in private lawsuits.

Employers and other controlling persons (including supervisory personnel) are also at risk under U.S. securities laws. Controlling persons may, among other things, face penalties of the greater of \$5,000,000 or three times the profits made or losses avoided by the trader if they recklessly fail to take preventive steps to control insider trading.

Thus, it is important both to you and the Company that insider-trading violations not occur. You should be aware that stock market surveillance techniques are becoming increasingly sophisticated, and the chance that U.S. federal or other regulatory authorities will detect and prosecute even small -level trading is significant. Insider trading rules are strictly enforced, even in instances when the financial transactions seem small. You should contact the Chief Financial Officer or the Legal Department if you are unsure as to whether or not you are free to trade.

The Company has imposed a trading blackout period on members of the Board of Directors, executive officers and certain designated employees who, as a consequence of their position with the Company, are more likely to be exposed to material nonpublic information about the Company. These directors, executive officers and employees generally may not trade in Company securities during the blackout period. In addition, in the event that a trading blackout in Company stock is imposed on participants in the Company's 401(k) Plan or in a Company pension plan with respect to Company Common Stock in such plans, the Company's executive officers and directors will be prohibited from trading during such blackout periods.

For more details, and to determine if you are restricted from trading during trading blackout periods, you should review the Company's Insider Trading Compliance Program. You can request a copy of this policy from the Legal Department. You should take a few minutes to read the Insider Trading Compliance Program carefully, paying particular attention to the specific policies and the potential criminal and civil liability and/or disciplinary action for insider trading violations. Employees, agents and contractors of the Company who violate this Policy are also subject to disciplinary action by the Company, which may include termination of employment or of business relationship. All questions regarding the Company's Insider Trading Compliance Program should be directed to the Company's Chief Financial Officer.

I. Prohibition Against Short Selling of Company Stock

No Company director, officer or other employee, agent or contractor may engage in short sales of the Company's securities. A short sale, as defined in this policy, means any transaction whereby one may benefit from a decline in the Company's stock price. While employees who are not executive officers or directors are not prohibited by law from engaging in short sales of Company's securities, the Company has adopted as policy that employees may not do so.

J. **Public Reporting Requirements**

(i) **General.** Accounting and other business records are relied upon in the preparation of reports the Company files with certain government agencies, such as the SEC. These reports must contain full, timely and understandable information and accurately reflect the Company's financial condition and results of operations.

(ii) **Employee Responsibilities.** Employees who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying these reports must strive to ensure that the Company's financial disclosures are accurate and verifiable, thus to enable stockholders and potential investors to assess the soundness and risks of the Company's business and finances and the quality and integrity of the Company's accounting and disclosures. The integrity of the Company's public disclosures depends on the accuracy and completeness of the Company's records. To that end:

- a. All business transactions must be supported by appropriate documentation and reflected accurately in the Company's books and records; in particular, no "side letters" or understandings, oral or written, that deviate from express contractual terms may be entered into;
- b. No entry be made that intentionally mischaracterizes the nature or proper accounting of a transaction;
- c. No employee may take or authorize any action that would cause the Company's financial records or disclosures to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;
- d. All employees must cooperate fully with the Company's independent public accountants and counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that the Company's books and records, as well as the Company's reports filed with the SEC, are accurate and complete; and
- e. No employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any report filed with the SEC or other government agency, or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of the Company's reports accurate in all material respects.

Any employee who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to his or her manager or through the Open Door Hotline.

K. **Use of Company's Assets**

(i) **General.** Protecting the Company's assets is a key fiduciary responsibility of every employee, agent and contractor. Care should be taken to ensure that assets are not misappropriated, loaned to others, or sold or donated, without appropriate authorization. All Company employees, agents and contractors are responsible for the proper use of Company assets, and must safeguard such assets against loss, damage, misuse or theft. Employees, agents or contractors who violate any aspect of this policy or who demonstrate poor judgment in the manner in which they use any Company asset may be subject to disciplinary action, up to and including termination of employment or business relationship at the Company's sole discretion. Company equipment and assets are to be used for Company business purposes only. With the exception of computers and cell phones (for which reasonable personal use is allowed, subject to the provisions in Subsection III (K) (iv) below), employees, agents and contractors may not use Company assets for personal use, nor may they allow any other person to use Company assets. Employees who have any questions regarding this policy should bring them to the attention of the Company's Human Resources Department.

(ii) **Physical Access Control.** The Company has and will continue to develop procedures covering physical access control to ensure privacy of communications, maintenance of the security of the Company communication equipment, and safeguard Company assets from theft, misuse and destruction. You are personally responsible for complying with the level of access control that has been implemented in the facility where you work on a permanent or temporary basis. You must not defeat or cause to be defeated the purpose for which the access control was implemented.

(iii) **Company Funds.** Every Company employee is personally responsible for all Company funds over which he or she exercises control. Company agents and contractors should not be allowed to exercise control over Company funds. Company funds must be used only for Company business purposes. Every Company employee, agent and contractor must take reasonable steps to ensure that the Company receives good value for Company funds spent, and must maintain accurate and timely records of each and every expenditure. Expense reports must be accurate and submitted in a timely manner. Company employees, agents and contractors must not use Company funds for any personal purpose.

(iv) **Computers and Other Equipment.** The Company strives to furnish employees with the equipment necessary to efficiently and effectively do their jobs. You must care for that equipment and to use it responsibly only for Company business purposes. If you use Company equipment at your home or off site, take precautions to protect it from theft or damage, just as if it were your own. If the Company no longer employs you, you must immediately return all Company equipment. While computers and other electronic devices (including cell phones) are made accessible to employees to assist them to perform their jobs and to promote the Company's interests, all such computers and electronic devices, whether used entirely or partially on the Company's premises or with the aid of the Company's equipment or resources, must remain fully accessible to the Company and, to the maximum extent permitted by law, will remain the sole and exclusive property of the Company. You should not install any software on your Company computer which has not been provided to you by the Company.

To the extent permitted by applicable law, employees, agents and contractors should not maintain any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic communications device owned, leased, or operated in whole or in part by or on behalf of the Company. To the extent permitted by applicable law, the Company retains the right to gain access to any information received by, transmitted by, or stored in any such electronic communications device, by and through its employees, agents, contractors, or representatives, at any time, either with or without an employee's or third party's knowledge, consent or approval.

(v) **Software.** All software used by employees to conduct Company business must be appropriately licensed. Never make or use illegal or unauthorized copies of any software, whether in the office, at home, or on the road, since doing so may constitute copyright infringement and may expose you and the Company to potential civil and criminal liability. In addition, use of illegal or unauthorized copies of software may subject the employee to disciplinary action, up to and including termination. The Company's IT Department will inspect Company computers periodically to verify that only approved and licensed software has been installed. Any non-licensed/supported software will be removed.

(vi) **Electronic Usage.** The purpose of this policy is to make certain that employees utilize electronic communication devices in a legal, ethical, and appropriate manner. This policy addresses the Company's responsibilities and concerns regarding the fair and proper use of all electronic communications devices within the organization, including computers, e-mail, connections to the Internet, intranet and extranet and any other public or private networks, voice mail, video

conferencing, facsimiles, and telephones. Posting or discussing information concerning the Company's products or business on the Internet without the prior written consent of the Company's CFO is prohibited. Any other form of electronic communication used by employees currently or in the future is also intended to be encompassed under this policy. It is not possible to identify every standard and rule applicable to the use of electronic communications devices. Employees are therefore encouraged to use sound judgment whenever using any feature of our communications systems. The complete set of policies with respect to electronic usage of the Company's assets is located on the Sanmina-SCI intranet site. You are expected to review, understand and follow such policies and procedures.

L. **Maintaining and Managing Records**

The purpose of this policy is to set forth and convey the Company's business and legal requirements in managing and processing records, including all recorded information regardless of medium or characteristics. Records include paper documents, CDs, computer hard disks, email, floppy disks, microfiche, microfilm or all other media. Furthermore, records also include personal data, whether manual or automated, as defined under the national implementing legislation of European Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 ("EU Data Protection Legislation"). The Company is required by local, state, federal, foreign and other applicable laws and regulations such as (but not limited to) the EU Data Protection Legislation to retain certain records and to follow specific guidelines in the management, processing and disposal of its records. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, agents, contractors and the Company, and failure to comply with such guidelines may subject the employee, agent or contractor to disciplinary action, up to and including termination of employment or business relationship at the Company's sole discretion.

M. **Records on Legal Hold**

A legal hold suspends all document destruction procedures in order to preserve appropriate records under special circumstances, such as litigation or government investigations. The Company's Legal Department determines and identifies what types of Company records or documents are required to be placed under a legal hold. Every Company employee, agent and contractor must comply with this policy. Failure to comply with this policy may subject the employee, agent or contractor to disciplinary action, up to and including termination of employment or business relationship at the Company's sole discretion.

The Company's Legal Department will notify you if a legal hold is placed on records for which you are responsible. You then must preserve and protect the necessary records in accordance with instructions from the Company's Legal Department. **RECORDS OR SUPPORTING DOCUMENTS THAT HAVE BEEN PLACED UNDER A LEGAL HOLD MUST NOT BE DESTROYED, ALTERED OR MODIFIED UNDER ANY CIRCUMSTANCES.** A legal hold remains effective until it is officially released in writing by the Company's Legal Department. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect that document while you check with the Company's Legal Department.

If you have any questions about this policy you should contact the Company's Legal Department.

N. **Political Contributions**

The Company reserves the right to communicate its position on important issues to elected representatives and other government officials. It is the Company's policy to comply fully with all local,

state, federal, foreign and other applicable laws, rules and regulations regarding political contributions. The Company's funds or assets must not be used for, or be contributed to, political campaigns or political practices under any circumstances without the prior written approval of the Company's Legal Department and, if required, the Board of Directors.

O. Foreign Corrupt Practices Act

The Company requires full compliance with the Foreign Corrupt Practices Act ("FCPA") by all of its employees, agents, and contractors.

The anti-bribery and corrupt payment provisions of the FCPA make illegal any corrupt offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value to any foreign official, or any foreign political party, candidate or official, for the purpose of: influencing any act or failure to act, in the official capacity of that foreign official or party; or inducing the foreign official or party to use influence to affect a decision of a foreign government or agency, in order to obtain or retain business for anyone, or direct business to anyone.

All Company employees, agents and contractors whether located in the United States or abroad, are responsible for FCPA compliance and the procedures to ensure FCPA compliance. All managers and supervisory personnel are expected to monitor continued compliance with the FCPA to ensure compliance with the highest moral, ethical and professional standards of the Company. FCPA compliance includes the Company's policy on Maintaining and Managing Records in Section III (L) of this Code of Business Conduct and Ethics.

Laws in most countries outside of the United States also prohibit or restrict government officials or employees of government agencies from receiving payments, entertainment, or gifts for the purpose of winning or keeping business. No contract or agreement may be made with any business in which a government official or employee holds a significant interest, without the prior approval of the Company's Legal Department.

P. Export Controls

A number of countries maintain controls on the destinations to which products or software may be exported. Some of the strictest export controls are maintained by the United States against countries that the U.S. government considers unfriendly or as supporting international terrorism. The U.S. regulations are complex and apply both to exports from the United States and to exports of products from other countries, when those products contain U.S. -origin components or technology. Software created in the United States is subject to these regulations even if duplicated and packaged abroad. In some circumstances, an oral presentation containing technical data made to foreign nationals in the United States may constitute a controlled export. The Legal Department can provide you with guidance on which countries are prohibited destinations for Company products or whether a proposed technical presentation to foreign nationals may require a U.S. Government license. Accordingly, you should check with the Legal Department in advance of effecting any offshore transaction that may raise concerns regarding compliance with U.S. export control laws.

Q. Building Security

If you suspect any illegal activity, security breach (whether in fences, cages, attempts by unauthorized personnel to gain entry or otherwise), or dangerous situation, it is critical that you report the violation to management, the security guard or to your human resources representative as soon as

possible. In the event you come into contact with a person who doesn't have the appropriate badge or other credential, you should politely inquire as to the individual's business on the premises and, if unsatisfied with the response, promptly report the individual to the security guard and/or your human resources representative. In the event of an emergency, you should dial 911 (if you are in the United States) or the appropriate emergency number (if you are outside of the United States).

IV. **RESPONSIBILITIES TO OUR CUSTOMERS AND OUR SUPPLIERS**

A. **Customer Relationships**

If your job puts you in contact with any Company customers or potential customers, it is critical for you to remember that you represent the Company to the people with whom you are dealing. Act in a manner that creates value for our customers and helps to build a relationship based upon trust. The Company and its employees have provided products and services for many years and have built up significant goodwill over that time. This goodwill is one of our most important assets, and the Company's employees, agents and contractors must act to preserve and enhance our reputation.

B. **Publications of Others**

The Company subscribes to many publications that help employees do their jobs better. These include newsletters, reference works, online reference services, magazines, books, and other digital and printed works. Copyright law generally protects these works, and their unauthorized copying and distribution constitute copyright infringement. You must first obtain the consent of the publisher of a publication before copying publications or significant parts of them. When in doubt about whether you may copy a publication, consult the Legal Department.

C. **Selecting Suppliers**

The Company's suppliers make significant contributions to our success. To create an environment where our suppliers have an incentive to work with the Company, they must be confident that they will be treated lawfully and in an ethical manner. The Company's policy is to purchase supplies based on need, quality, service, price and terms and conditions. The Company's policy is to select significant suppliers or enter into significant supplier agreements through a competitive bid process where possible. Under no circumstances should any Company employee, agent or contractor attempt to coerce suppliers in any way. The confidential information of a supplier is entitled to the same protection as that of any other third party and must not be received before an appropriate nondisclosure agreement has been signed. A supplier's performance should generally not be discussed with anyone outside the Company. A supplier to the Company is generally free to sell its products or services to any other party, including competitors of the Company. In some cases where the products or services have been designed, fabricated, or developed to our specifications, the agreement between the parties may contain restrictions on sales.

D. **Government Relations**

It is the Company's policy to comply fully with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of business conduct. This policy includes strict compliance with all local, state, federal, foreign and other applicable laws, rules and regulations. If you have any questions concerning government relations, you should contact the Company's Legal Department.

E. **Lobbying**

Employees, agents or contractors whose work requires lobbying communication with any member or employee of a legislative body or with any government official or employee in the formulation of legislation must have prior written approval of such activity from the Company's Legal Department. Activity covered by this policy includes meetings with legislators or members of their staffs or with senior executive branch officials. Preparation, research, and other background activities that are done in support of lobbying communication are also covered by this policy even if the communication ultimately is not made.

F. **Government Contracts**

It is the Company's policy to comply fully with all applicable laws and regulations that apply to government contracting. It is also necessary to strictly adhere to all terms and conditions of any contract with local, state, federal, foreign or other applicable governments. The Company's Legal Department must review and approve all contracts with any government entity.

G. **Free and Fair Competition**

Most countries have well-developed bodies of law designed to encourage and protect free and fair competition. The Company is committed to obeying both the letter and spirit of these laws. The consequences of not doing so can be severe for all of us.

These laws often regulate the Company's relationships with its distributors, resellers, dealers, and customers. Competition laws generally address the following areas: pricing practices (including price discrimination), discounting, terms of sale, credit terms, promotional allowances, secret rebates, exclusive dealerships or distributorships, product bundling, restrictions on carrying competing products, termination, and many other practices.

Competition laws also govern, usually quite strictly, relationships between the Company and its competitors . **As a general rule, contacts with competitors should be limited and should always avoid subjects such as prices or other terms and conditions of sale, customers, and suppliers.** Employees, agents or contractors of the Company may not knowingly make false or misleading statements regarding its competitors or the products of its competitors, customers or suppliers. Participating with competitors in a trade association or in a standards creation body is acceptable when the association has been properly established, has a legitimate purpose, and has limited its activities to that purpose. Membership in trade associations should be approved in advance by the Legal Department.

No employee, agent or contractor shall at any time or under any circumstances enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts, other terms or conditions of sale, profits or profit margins, costs, allocation of product or geographic markets, allocation of customers, limitations on production, boycotts of customers or suppliers, or bids or the intent to bid or even discuss or exchange information on these subjects. In some cases, legitimate joint ventures with competitors may permit exceptions to these rules as may bona fide purchases from or sales to competitors on non-competitive products, but the Company's Legal Department must review all such proposed ventures in advance. These prohibitions are absolute and strict observance is required. Collusion among competitors is illegal, and the consequences of a violation are severe.

Although the spirit of these laws, known as "antitrust," "competition," or "consumer protection" or unfair competition laws, is straightforward, their application to particular situations can be quite complex. To ensure that the Company complies fully with these laws, each of us should have a basic knowledge of

them and should involve our Legal Department early on if it appears that a questionable situation may arise.

H. **Industrial Espionage**

It is the Company's policy to lawfully compete in the marketplace. This commitment to fairness includes respecting the rights of our competitors and abiding by all applicable laws in the course of competing. The purpose of this policy is to maintain the Company's reputation as a lawful competitor and to help ensure the integrity of the competitive marketplace. The Company expects its competitors to respect our rights to compete lawfully in the marketplace, and we must respect their rights equally. Company employees, agents and contractors may not steal or unlawfully use the information, material, products, intellectual property, or proprietary or confidential information of anyone including suppliers, customers, business partners or competitors.

V. **WAIVERS**

Any waiver of any provision of this Code of Business Conduct and Ethics for a member of the Company's Board of Directors or an executive officer must be approved in writing prior to the proposed transaction by the Company's Board of Directors and promptly publicly disclosed. Any waiver of any provision of this Code of Business Conduct and Ethics with respect to any other employee, agent or contractor must be approved in writing prior to the proposed transaction by the Company's Legal Department.

VI. **DISCIPLINARY ACTIONS**

The matters covered in this Code of Business Conduct and Ethics are of the utmost importance to the Company, its stockholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values. We expect all of our employees, agents, contractors and consultants to adhere to these rules in carrying out their duties for the Company.

The Company will take appropriate action against any employee, agent, contractor or consultant whose actions are found to violate these policies or any other policies of the Company. Disciplinary actions may include immediate termination of employment or business relationship at the Company's sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company will cooperate fully with the appropriate authorities. You should review the Company's policies and procedures at the Sanmina-SCI intranet site for more detailed information.

VII. **ACKNOWLEDGMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS**

I have received and read the Company's Code of Business Conduct and Ethics. I understand the standards and policies contained in the Company Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the Company Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the Company Code of Business Conduct and Ethics, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult my manager, the Human Resources Department or the Legal Department, knowing that my questions or reports to these sources will be maintained in confidence.

Name

Signature

Date

Location (Facility)

Please sign and return this form to the Human Resources Manager at your facility.

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction
AET Holdings Ltd. (18)	Mauritius
AV BreconRidge Limited (1)	Hong Kong
BreconRidge Manufacturing Solutions (Asia) Limited (20)	Hong Kong
Continental Circuits International, Inc. (3)	Barbados
Davos Group Limited (5)	British Virgin Islands
Hadco Corporation (8)	United States
Hadco Santa Clara, Inc. (3)	United States
PT Sanmina-SCI Batam (15)	Indonesia
Sanmina (B.V.I.) Ltd. (10)	British Virgin Islands
Sanmina Enclosure Systems Hungary Limited Liability Company (10)	Hungary
Sanmina Foreign Sales Corporation (8)	Barbados
Sanmina France SAS (6)	France
Sanmina SAS (8)	France
Sanmina-SCI (China) Limited (5)	Hong Kong
Sanmina-SCI (H.K.) Limited (5)	Hong Kong
Sanmina-SCI (Shenzhen) Limited (7)	China
Sanmina-SCI AB (8)	Sweden
Sanmina-SCI Central Services (8)	France
Sanmina-SCI Circuit (Wuxi) Co. Ltd. (7)	China
Sanmina-SCI Corporation	United States
Sanmina-SCI Corporation (Malaysia) SDN BHD (4)	Malaysia
Sanmina-SCI Corporation Argentina SA (10)	Argentina
Sanmina-SCI Corporation Africa (10)	South Africa
Sanmina-SCI Corporation Colombia S.A.S. (15)	Colombia
Sanmina-SCI Czech Republic s.r.o. (8)	Czech Republic
Sanmina-SCI de Mexico S.A. de C.V. (8)	Mexico
Sanmina-SCI do Brasil Integration Ltd. (9)	Brazil
Sanmina-SCI do Brasil Technology Ltda. (15)	Brazil
Sanmina-SCI do Brasil Ltda. (8)	Brazil
Sanmina-SCI Dutch Holdings, B.V. (15)	Netherlands
Sanmina-SCI Electronics Pte. Ltd. (14)	Singapore
Sanmina-SCI EMS Haukipudas OY (10)	Finland
Sanmina-SCI Enclosure Systems (Asia) Ltd. (2)	Hong Kong
Sanmina-SCI Enclosure Systems (Shenzhen) Ltd. (11)	China
Sanmina-SCI Enclosure Systems (Suzhou) Co. Ltd. (11)	China
Sanmina-SCI Enclosure Systems OY (8)	Finland
Sanmina-SCI Germany GmbH (13)	Germany
Sanmina-SCI Holding (Thailand) Limited (10)	Thailand
Sanmina-SCI Holding GmbH & Co. KG (8)	Germany
Sanmina-SCI Holdings Australia Pty. Ltd. (15)	Australia
Sanmina-SCI Hungary Electronics Manufacturing LLC (15)	Hungary
Sanmina-SCI Hungary Holdings Limited Liability Company (10)	Hungary
Sanmina-SCI India Private Limited (18)	India
Sanmina-SCI Ireland (16)	Ireland
Sanmina-SCI Israel EMS Ltd. (15)	Israel
Sanmina-SCI Israel Medical Systems Ltd.(15)	Israel

<u>Entity Name</u>	<u>Jurisdiction</u>
Sanmina-SCI Optical Technology (Shenzhen) Ltd. (19)	China
Sanmina-SCI Pte. Ltd. (18)	Singapore
Sanmina-SCI Real Estate Partnership (8)	France
Sanmina-SCI RSP de Mexico S.A. de C.V. (8)	Mexico
Sanmina-SCI Systems (Canada), Inc. (8)	Canada
Sanmina-SCI Systems (Kunshan) Co. Limited (7)	China
Sanmina-SCI Systems (Malaysia) SND BHD (10)	Malaysia
Sanmina-SCI Systems (Thailand) Limited (12)	Thailand
Sanmina-SCI Systems de Mexico S.A. de C.V. (10)	Mexico
Sanmina-SCI Systems Australia Pty Ltd (15)	Australia
Sanmina-SCI Systems Holdings, Inc. (8)	United States
Sanmina-SCI Systems Ireland Limited (10)	Ireland
Sanmina-SCI Systems Israel Ltd. (15)	Israel
Sanmina-SCI Systems Japan, Ltd. (10)	Japan
Sanmina-SCI Systems Singapore Pte. Ltd. (10)	Singapore
Sanmina-SCI Systems Tel Aviv Ltd. (17)	Israel
Sanmina-SCI Technology India Private Limited (18)	India
Sanmina-SCI Technology Limited (7)	Cayman
Sanmina-SCI U.K. Limited (10)	United Kingdom
Sanmina-SCI/TAG de Mexico S.A. de C.V. (10)	Mexico
SCI Brockville Corp (15)	Canada
SCI Technology, Inc. (8)	United States

Annotation

- (1) A subsidiary of BreconRidge Manufacturing Solutions (Asia) Limited
- (2) A subsidiary of Davos Group Limited
- (3) A subsidiary of Hadco Corporation
- (4) A subsidiary of Hadco Santa Clara, Inc.
- (5) A subsidiary of Sanmina (B.V.I.) Ltd.
- (6) A subsidiary of Sanmina SAS
- (7) A subsidiary of Sanmina-SCI (China) Limited
- (8) A subsidiary of Sanmina-SCI Corporation
- (9) A subsidiary of Sanmina-SCI do Brasil Technology Ltda.
- (10) A subsidiary of Sanmina-SCI Dutch Holdings, B.V.
- (11) A subsidiary of Sanmina-SCI Enclosure Systems (Asia) Ltd.
- (12) A subsidiary of Sanmina-SCI Holding (Thailand) Limited
- (13) A subsidiary of Sanmina-SCI Holding GmbH & Co. KG
- (14) A subsidiary of Sanmina-SCI Pte. Ltd.
- (15) A subsidiary of Sanmina-SCI Systems Holdings, Inc.
- (16) A subsidiary of Sanmina-SCI Systems Ireland Limited
- (17) A subsidiary of Sanmina-SCI Systems Israel Ltd.
- (18) A subsidiary of Sanmina-SCI Systems Singapore Pte. Ltd.
- (19) A subsidiary of Sanmina-SCI Technology Limited
- (20) A subsidiary of SCI Brockville Corp

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Sanmina Corporation:

We consent to the incorporation by reference in the registration statements on Form S-3 (Nos. 333-131360, 333-61042, 333-50282, 333-39316, 333-95467, 333-84221, 333-84039, 333-76279, and 333-71313) and Form S-8 (Nos. 333-182042, 333-172128, 333-165435, 333-157099, 333-84704, 333-112605, 333-108942, 333-104692, 333-100236, 333-87946, 333-83110, 333-75616, 333-64294, 333-39930, 333-79259, and 333-23565) of Sanmina Corporation of our report dated November 20, 2012, with respect to the consolidated balance sheets of Sanmina Corporation as of September 29, 2012 and October 1, 2011, and the related statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended September 29, 2012, and the related financial statement schedule, and the effectiveness of internal control over financial reporting as of September 29, 2012, which report appears in the September 29, 2012 annual report on Form 10-K of Sanmina Corporation.

/s/ KPMG LLP

Santa Clara, California
November 20, 2012

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302(A) OF
THE SARBANES-OXLEY ACT OF 2002

I, Jure Sola, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sanmina 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 20, 2012

/s/ JURE SOLA

Jure Sola

Chief Executive Officer (Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302(A) OF
THE SARBANES-OXLEY ACT OF 2002

I, Robert K. Eulau, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sanmina 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 20, 2012

/s/ ROBERT K. EULAU

Robert K. Eulau

Chief Financial Officer (Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Section 1350 of Chapter 63 of Title 18 of the United States of America Code (18 U.S.C. §1350), Jure Sola, Chief Executive Officer of Sanmina Corporation (the "Company"), hereby certifies that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2012, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has set his hand hereto as of November 20, 2012.

/s/ JURE SOLA

Jure Sola

Chief Executive Officer (Principal Executive Officer)

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sanmina Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Section 1350 of Chapter 63 of Title 18 of the United States of America Code (18 U.S.C. §1350), Robert K. Eulau, Chief Financial Officer of Sanmina Corporation (the "Company"), hereby certifies that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2012, to which this Certification is attached as Exhibit 32.2 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has set his hand hereto as of November 20, 2012.

/s/ ROBERT K. EULAU

Robert K. Eulau

Chief Financial Officer (Principal Financial Officer)

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sanmina Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

