DEVON ENERGY CORP/DE
Form 424B7
February 16, 2016
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Filed pursuant to Rule 424(b)(7)

Registration No. 333-200922

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Share (1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (2)
Common stock, par value $0.10 per share	23,470,000	$20.61	$483,716,700	$48,710.27

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended (the Securities Act), based on the average of the high and low sales prices per share of our common stock as reported on the New York Stock Exchange on February 11, 2016.
(2) Calculated in accordance with Rule 456(b) and Rule 457(r) under the Securities Act.

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PROSPECTUS SUPPLEMENT dated February 16, 2016

(To Prospectus dated December 12, 2014)

23,470,000 Shares

Devon Energy Corporation

Common Stock

This prospectus supplement relates to the offering for resale of up to 23,470,000 shares of our common stock, par value $0.10 per share, by the selling stockholders identified in this prospectus supplement. We will not receive any proceeds from this offering.

Our common stock is listed on the New York Stock Exchange (the NYSE) under the symbol DVN. On February 12, 2016, the last sale price of our common stock as reported on the NYSE was $21.69 per share.

Investing in our common stock involves risks. You should carefully read the entire accompanying prospectus and this prospectus supplement, including the section titled Risk Factors beginning on page S-2 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2014.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement and the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

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You should read this prospectus supplement along with the accompanying prospectus carefully before you invest in our common stock. These documents contain or incorporate by reference important information you should consider before making your investment decision. This prospectus supplement may add, update or change information in the accompanying prospectus. No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus or in any free writing prospectus filed with the Securities and Exchange Commission (the SEC) and, if given or made, such information or representations must not be relied upon as having been authorized. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy those securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement or the accompanying prospectus, nor any sale made hereunder and thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Devon since the date hereof or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to the date of such information.

For purposes of this prospectus supplement and the accompanying prospectus, unless the context otherwise indicates, references to us, we, our, ours and Devon refer to Devon Energy Corporation and its subsidiaries.

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DEVON ENERGY CORPORATION

Devon is a leading independent energy company engaged primarily in the exploration, development and production of oil, natural gas and natural gas liquids, or NGLs. Our operations are concentrated in various North American onshore areas in the U.S. and Canada. We also have significant midstream operations and assets throughout key operating regions in North America, primarily through our controlling interests in EnLink Midstream Partners, LP and EnLink Midstream, LLC. In addition, we continue to maintain significant marketing operations for our gas, crude oil and NGLs and midstream operations in Canada. Devon pioneered the commercial development of natural gas from shale and coalbed formations, and we are a proven leader in using steam to produce bitumen from the Canadian oil sands.

Recent Developments

As previously announced, we agreed to acquire Felix Energy Holdings, LLC (the Felix Acquisition), which owns oil and gas assets in the Anadarko Basin STACK play, for (i) $850 million in cash, subject to customary purchase price adjustments, and (ii) 23,470,000 shares of our common stock. In an unrelated transaction, we also agreed to acquire certain oil and gas properties in the Powder River Basin (the PRB Acquisition) for (i) $300 million in cash, subject to customary purchase price adjustments, and (ii) 6,857,488 shares of our common stock. The Felix Acquisition closed on January 7, 2016 and the PRB Acquisition closed on December 17, 2015.

Corporate Information

Our principal and administrative offices are located at 333 West Sheridan Ave., Oklahoma City, Oklahoma 73102-5015. Our telephone number at that location is (405) 235-3611.

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RISK FACTORS

An investment in our common stock is subject to risk. Before you decide to invest in our common stock, you should carefully consider the risk factors under the captions Risk Factors and Information Regarding Forward-Looking Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 and the documents we have incorporated by reference in this prospectus supplement and the accompanying prospectus.

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USE OF PROCEEDS

The selling stockholders will receive all of the proceeds from the sale or other disposition of the shares of common stock covered by this prospectus supplement. We will not receive any of the proceeds from the sale or other disposition of the shares of common stock offered hereby.

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SELLING STOCKHOLDERS

The shares of our common stock that we are registering for resale on behalf of the selling stockholders in this prospectus supplement were issued to Felix STACK Holdings, LLC (Felix) in connection with the closing of the Felix Acquisition and pursuant to an exemption from registration under the Securities Act.

We will pay certain expenses of the registration of the shares offered hereby, including the SEC filing fees. Brokerage commissions and similar selling expenses, if any, attributable to the sale of the shares will be borne by the selling stockholders. In addition, we have agreed to indemnify the selling stockholders against certain liabilities in connection with the offering of the shares.

Unless otherwise indicated herein, based on representations made to us by the selling stockholders, the selling stockholders have not nor within the past three years have had any position, office or other material relationship with us or any of our affiliates other than (i) as a result of the Felix Acquisition and (ii) the selling stockholders beneficial ownership of our common stock. To our knowledge, none of the selling stockholders are a broker-dealer or an affiliate of a broker-dealer, nor at the time of the Felix Acquisition, did the selling stockholders have direct or indirect agreements or understandings with any person to distribute their shares.

The following table sets forth to our knowledge certain information about the selling stockholders. We have not sought to verify such information. The percentage of outstanding shares of our common stock beneficially owned prior to the offering is based on 441,294,085 shares of our common stock outstanding as of February 12, 2016. The selling stockholders may hold or acquire at any time shares of our common stock in addition to those offered by this prospectus supplement and may have acquired additional shares since the date on which the information reflected herein was provided to us. Additionally, the selling stockholders may have sold, transferred or otherwise disposed of some or all of the shares of our common stock listed below in exempt or non-exempt transactions since the date on which the information was provided to us and may in the future sell, transfer or otherwise dispose of some or all of the shares in private placement transactions exempt from, or not subject to the registration requirements of, the Securities Act.

Information about the selling stockholders may change from time to time. Any changed information will be set forth in prospectus supplements, if required by applicable law. For information on the procedure for sales by the selling stockholders, see Plan of Distribution in this prospectus supplement.

	Shares Beneficially Owned Prior to this Offering			**Shares Beneficially Owned After this Offering**	
Name of Beneficial Owner	**Number of Shares**	**Percentage**	**Shares Being Offered**	**Number of Shares (1)**	**Percentage (1)**
Felix STACK Holdings, LLC	23,470,000	5.3%	23,470,000	0	0%

(1) Assumes the sale of all shares of our common stock held by each respective selling stockholder offered by this prospectus supplement.

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PLAN OF DISTRIBUTION

We are registering 23,470,000 shares of our common stock for possible resale by the selling stockholders. The selling stockholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. The selling stockholders may, from time to time after February 21, 2016, sell any or all of their shares of our common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling stockholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the NYSE or any other applicable national securities exchange;
- short sales;
- broker-dealers, who may agree with the selling stockholder to sell a specified number of such shares at a stipulated price per share;
- public or privately negotiated transactions;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- any combination of the foregoing; and
- any other method permitted pursuant to applicable law, other than an underwritten offering.

The selling stockholders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus supplement and accompanying prospectus.

Broker-dealers engaged by the selling stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling stockholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling stockholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved. Any profits on the resale of shares of our common stock by a broker-dealer acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. Discounts, concessions, commissions and similar selling expenses, if any, attributable to the sale of shares will be borne by a selling stockholder.

The selling stockholders may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the shares if liabilities are imposed on that person under the Securities Act. If we are notified by any selling stockholder that any arrangement has been entered into with a broker-dealer for the sale of shares of our common stock, if required, we will file an amendment to this prospectus supplement. If the selling stockholders use this prospectus supplement and accompanying prospectus for any sale of the shares of our common stock, they will be subject to the prospectus delivery requirements of the Securities Act.

The selling stockholders and any broker-dealer or agents participating in the distribution of the shares of our common stock may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act in connection with such sales. In such event, any commissions paid, or any discounts or concessions allowed to, any

such broker-dealer or agent and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Selling stockholders who are underwriters within the meaning of Section 2(11) of the Securities Act will be subject to the applicable prospectus delivery requirements of the Securities Act and may be subject to certain statutory liabilities of, including but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Securities Exchange Act of 1934, as amended (the Exchange Act).

The selling stockholders also may transfer the shares of our common stock in certain other circumstances, in which case the transferees or other successors in interest will be the selling beneficial owners for purposes of this prospectus supplement and accompanying prospectus and may sell the shares of our common stock from time to time under this prospectus supplement and accompanying prospectus after we have filed an amendment to this prospectus supplement, if required by law, supplementing or amending the list of selling stockholders to include the transferee or other successors in interest as selling stockholders under this prospectus supplement.

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LEGAL MATTERS

The validity of the common stock will be passed upon for us by Vinson & Elkins L.L.P., Houston, Texas.

EXPERTS

The consolidated financial statements of Devon and its subsidiaries as of December 31, 2014 and 2013 and for each of the years in the three-year period ended December 31, 2014, and management s assessment of the effectiveness of internal control over financial reporting as of December 31, 2014, have been incorporated by reference herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

Certain information with respect to Devon s oil and gas reserves derived from the reports of LaRoche Petroleum Consultants, Ltd. and Deloitte LLP, independent consulting petroleum engineers, has been incorporated by reference herein upon the authority of said firms as experts with respect to matters covered by such reports and in giving such reports.

WHERE YOU CAN FIND MORE INFORMATION

As described in the accompanying prospectus under the caption Where You Can Find More Information, we have incorporated and may incorporate by reference into this prospectus supplement and the accompanying prospectus certain documents that we have filed or may file with the SEC under the Exchange Act, including the following:

1. Our Annual Report on Form 10-K for the year ended December 31, 2014.

2. Our Quarterly Reports on Form 10-Q for each of the quarterly periods ended March 31, 2015, June 30, 2015 and September 30, 2015.

3. Our Current Reports on Form 8-K filed on June 5, 2015, June 16, 2015, August 3, 2015, September 21, 2015, December 7, 2015, December 11, 2015, December 15, 2015, January 27, 2016 and February 16, 2016.

4. Our Definitive Proxy Statement on Schedule 14A, filed on April 21, 2015.

5. All documents filed by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and before termination of the offering of securities hereby.

However, no document that we have furnished or may in the future furnish to the Securities and Exchange Commission pursuant to the Exchange Act shall be incorporated by reference into the accompanying prospectus or this prospectus supplement.

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PROSPECTUS

Devon Energy Corporation

COMMON STOCK, PREFERRED STOCK AND

DEBT SECURITIES

By this prospectus, Devon Energy Corporation may offer, from time to time, its common stock, preferred stock and debt securities. We will provide the specific terms of any securities to be offered in a supplement to this prospectus, which may also add, update or change information contained in this prospectus. You should read this prospectus and any supplement carefully before investing.

Our common stock, par value $0.10 per share, is listed on the New York Stock Exchange and its trading symbol is DVN. Each prospectus supplement will indicate if the securities offered thereby will be listed on any securities exchange.

Investing in securities involves risks. You should carefully read the risk factors included in the applicable prospectus supplement and in our periodic reports and other information filed with the Securities and Exchange Commission before investing in our securities.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis through a public offering or negotiated purchases. The prospectus supplement for each offering will describe in detail the plan of distribution for that offering and will set forth the names of any underwriters, dealers or agents involved in the offering and any applicable fees, commissions or discount arrangements.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is December 12, 2014.

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ABOUT THIS PROSPECTUS

This prospectus may not be used to sell securities unless it is accompanied by a prospectus supplement.

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission, or the SEC, utilizing a shelf registration process. Under this shelf registration process, we may sell the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities we may offer. Each time we sell offered securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may include additional risk factors or other special considerations applicable to those securities. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under Where You Can Find More Information.

We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus or in any accompanying prospectus supplement. This prospectus and any accompanying prospectus supplement do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate, nor do this prospectus and any accompanying prospectus supplement constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus and any accompanying prospectus supplement is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus and any accompanying prospectus supplement is delivered or securities are sold on a later date.

Unless the context otherwise indicates, the terms Devon, we, us and our in this prospectus mean Devon Energy Corporation, a Delaware corporation, and its consolidated subsidiaries.

DEVON ENERGY CORPORATION

Devon is an independent energy company engaged primarily in exploration, development and production of natural gas and oil. Our operations are concentrated in various North American onshore areas in the United States and Canada. In March 2014, Devon, Crosstex Energy, Inc. and Crosstex Energy, LP (together with Crosstex Energy, Inc., Crosstex) completed a business combination to combine substantially all of Devon s U.S. midstream assets with Crosstex s assets to form a new midstream business. The new business includes EnLink Midstream Partners, LP (the MLP), a master limited partnership, and EnLink Midstream, LLC (EnLink), which indirectly owns the general partner of the MLP. Devon holds a controlling interest in the MLP and EnLink, which are both publicly traded entities. We continue to maintain significant marketing operations for our gas, crude oil and natural gas liquids (NGLs) and midstream operations in Canada.

Our principal and administrative offices are located at 333 West Sheridan Avenue, Oklahoma City, Oklahoma 73102-5015. Our telephone number at that location is (405) 235-3611.

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SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This prospectus and the documents that we incorporate by reference contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act, which are identified by the use of the words believe, expect, anticipate, estimate, will, contemp would and similar expressions that contemplate future events. Such forward-looking statements are based on management s reasonable current assumptions and expectations. Numerous important factors, risks and uncertainties affect our operating results, including, without limitation, those contained in this prospectus, any prospectus supplement and the documents that we incorporate by reference, and could cause our actual results, levels of activity, performance or achievement to differ materially from the results expressed or implied by these or any other forward-looking statements made by us or on our behalf. There can be no assurance that future results will meet expectations. You should pay particular attention to the risk factors and cautionary statements referenced in the section of this prospectus, and in any prospectus supplement, entitled Risk Factors. You should also carefully review the risk factors and cautionary statements described in the other documents we file from time to time with the SEC, specifically our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. We undertake no obligation to update any forward-looking statements.

RISK FACTORS

Investing in our securities involves a high degree of risk. Before making an investment decision and acquiring any offered securities pursuant to this prospectus, you should carefully consider the information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement, including, without limitation, the risks described in our most recent Annual Report on Form 10-K, which is incorporated herein by reference, the risk factors described under the caption Risk Factors in any applicable prospectus supplement and any risk factors set forth in our other filings with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act. The occurrence of any of these risks might cause you to lose all or a part of your investment in the offered securities. See Where You Can Find More Information.

USE OF PROCEEDS

Unless otherwise indicated in an accompanying prospectus supplement, we expect to use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes, which may include, among other things:

- the repayment of outstanding indebtedness;
- working capital;
- capital expenditures; and
- acquisitions.

The precise amount and timing of the application of such proceeds will depend upon our funding requirements and the availability and cost of other funds.

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RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends for each of the periods set forth below have been completed on a consolidated basis and should be read in conjunction with Devon s consolidated financial statements, including the accompanying notes thereto, incorporated by reference in this prospectus.

	Year Ended December 31,					Nine Months Ended
	2009	2010	2011	2012	2013	2014
	(Dollars in millions)					
Ratio of earnings to fixed charges	N/A	8.71	10.74	N/A	1.29	9.77
Ratio of earnings to combined fixed charges and preferred stock dividends	N/A	8.71	10.74	N/A	1.29	9.77
Insufficiency of earnings to cover fixed charges	$ 4,574	N/A	N/A	$ 319	N/A	N/A
Insufficiency of earnings to cover combined fixed charges and preferred stock dividends	$ 4,574	N/A	N/A	$ 319	N/A	N/A

N/A means not applicable.

Our ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends were computed based on:

earnings, which consist of earnings from continuing operations before income taxes, plus fixed charges;

fixed charges, which consist of interest expense and one-third of rental expense estimated to be attributable to interest; and

preferred stock dividends, which consist of the amount of pre-tax earnings required to pay dividends on the outstanding preferred stock.

DESCRIPTION OF CAPITAL STOCK

General

Devon s authorized capital stock consists of:

1.0 billion shares of common stock, par value $0.10 per share, and

4.5 million shares of preferred stock, par value $1.00 per share.

As of November 30, 2014, there were 409,147,482 shares of common stock outstanding and no shares of preferred stock outstanding.

Common Stock

Holders of common stock will be entitled to receive dividends out of legally available funds when and if declared by our board of directors. Subject to the rights of the holders of any outstanding shares of preferred stock, holders of shares of common stock will be entitled to cast one vote for each share held of record on all matters submitted to a vote of stockholders. They will not be entitled to cumulative voting rights for the election of directors. The shares of common stock have no preemptive, conversion or other rights to subscribe for or purchase any of our securities. Upon our liquidation or dissolution, the holders of shares of common stock are entitled to share ratably in any of our assets that remain after payment or provision for payment to creditors and holders of preferred stock.

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Preferred Stock

The preferred stock may be issued in one or more series. Our board may establish attributes of any series, including the designation and number of shares in the series, dividend rates (cumulative or noncumulative), voting rights, redemptions, conversion or preference rights, and any other rights and qualifications, preferences and limitations or restrictions on shares of a series. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of Devon without any vote or action by the stockholders and may adversely affect the voting and other rights of the holders of shares of common stock. The specific terms of a particular series of preferred stock will be described in a certificate of designation relating to that series.

Series A Junior Participating Preferred Stock. We have designated 2.9 million shares of preferred stock as series A junior participating preferred stock.

DESCRIPTION OF UNDESIGNATED PREFERRED STOCK

This summary of the undesignated preferred stock discusses terms and conditions that we expect may apply to any series of the preferred stock that may be offered under this prospectus. The applicable prospectus supplement will describe the particular terms of each series of preferred stock actually offered. If indicated in the prospectus supplement, the terms of any series may differ from the terms described below.

We expect the prospectus supplement for any preferred stock that we actually offer pursuant to this prospectus to include some or all of the following terms:

- the designation of the series of preferred stock;
- the number of shares of preferred stock offered, the liquidation preference per share and the offering price of the preferred stock;
- the dividend rate or rates of the shares, the method or methods of calculating the dividend rate or rates, the dates on which dividends, if declared, will be payable, and whether or not the dividends are to be cumulative and, if cumulative, the date or dates from which dividends shall be cumulative;
- the amounts payable on shares of the preferred stock in the event of our voluntary or involuntary liquidation, dissolution or winding up;
- the redemption rights and price or prices, if any, for the shares of preferred stock;
- the terms, and the amount, of any sinking fund or analogous fund providing for the purchase or redemption of the shares of preferred stock;

any restrictions on our ability to make payments on any of our capital stock if dividend or other payments are not made on the preferred stock;

any voting rights granted to the holders of the shares of preferred stock in addition to those required by Delaware law or our certificate of incorporation;

whether the shares of preferred stock will be convertible into shares of our common stock or any other class of our capital stock, and, if convertible, the conversion price or prices, and any adjustment or other terms and conditions upon which the conversion shall be made;

any other rights, preferences, restrictions, limitations or conditions relative to the shares of preferred stock permitted by Delaware law or our certificate of incorporation;

any listing of the preferred stock on any securities exchange; and

the federal income tax considerations applicable to the preferred stock.

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Subject to our certificate of incorporation and to any limitations imposed by any then outstanding preferred stock, we may issue additional series of preferred stock, at any time or from time to time, with such powers, preferences, rights and qualifications, limitations or restrictions as our board of directors determines, and without further action of the stockholders, including holders of our then outstanding preferred stock, if any.

DESCRIPTION OF DEBT SECURITIES

The following description of the debt securities sets forth certain general terms and provisions of the debt securities to which this prospectus and any prospectus supplement may relate. The particular terms of any series of debt securities and the extent to which the general provisions may apply to a particular series of debt securities will be described in a prospectus supplement relating to that series. References in this section to Devon mean Devon Energy Corporation and not its subsidiaries.

Any debt securities offered by this prospectus will be issued under one or more indentures between Devon and a trustee. We have summarized selected provisions of the indentures below. Devon senior debt securities are to be issued under an indenture between Devon and UMB Bank, National Association, as trustee (the Devon senior indenture), which is incorporated by reference as an exhibit to the registration statement of which this prospectus forms a part. Devon subordinated debt securities are to be issued under an indenture (the Devon subordinated indenture), which is incorporated by reference as an exhibit to the registration statement of which this prospectus forms a part. The Devon senior indenture and the Devon subordinated indenture are sometimes referred to herein, collectively, as the indentures and each, individually, as an indenture. You should read the indentures for provisions that may be important to you.

Because we have included only a summary of the indenture terms, you must read the indentures in full to understand every detail of the terms of the debt securities.

The indentures will not limit the amount of debt securities we may issue under them, and will provide that additional debt securities of any series may be issued up to the aggregate principal amount that we authorize from time to time.

Unless otherwise indicated in the applicable prospectus supplement, we will issue the debt securities in denominations of $2,000 and in integral multiples of $1,000 in excess thereof.

Principal and any premium and interest in respect of the debt securities will be payable, and the debt securities will be transferable, at the corporate trust office of the trustee, unless we specify otherwise in the applicable prospectus supplement. At our option, however, we may pay interest by mailing checks to the registered holders of the debt securities at their registered addresses.

We will describe any special U.S. federal income tax and other considerations relating to the debt securities in the applicable prospectus supplement.

General

The prospectus supplement relating to the particular series of debt securities being offered will specify the amounts, prices and terms of those debt securities. These terms may include:

- the designation, aggregate principal amount and authorized denominations of the debt securities;

the date or dates on which the debt securities will mature;

the percentage of the principal amount at which the debt securities will be issued;

the date on which the principal of the debt securities will be payable;

the terms of the subordination of any series of Devon subordinated debt securities;

whether the debt securities will be issued as registered securities, bearer securities or a combination of the two;

whether the debt securities will be issued in the form of one or more global securities and whether such global securities will be issued in a temporary global form or permanent global form;

the currency or currencies or currency unit or units of two or more currencies in which debt securities are denominated, for which they may be purchased, and in which principal and any premium and interest is payable;

whether the currency or currencies or currency unit or units for which debt securities may be purchased or in which principal and any premium interest may be paid is at our election or at the election of a purchaser, the manner in which an election may be made and its terms;

the annual rate or rates, which may be fixed or variable, or the method of determining the rate or rates at which the debt securities will bear any interest, whether by remarketing, auction, formula or otherwise;

the date or dates from which any interest will accrue and the date or dates on which such interest will be payable;

a description of any provisions providing for redemption, exchange or conversion of the debt securities at our option, at holder s option or otherwise, and the terms and provisions of such a redemption, exchange or conversion;

information with respect to book-entry procedures relating to global debt securities;

any sinking fund terms;

whether and under what circumstances we will pay additional amounts, as defined in the indenture, on the debt securities to any holder; the term interest, as used in this prospectus, includes any additional amounts;

any events of default or covenants of Devon with respect to the debt securities of a certain series that are different from those described in this prospectus;

- whether and under what circumstances any covenants in the indenture shall be subject to covenant defeasance;
- any deletions from, or modifications or additions to, the provisions of the indenture relating to satisfaction and discharge in respect of the debt securities;
- any index or other method used to determine the amount of payments of principal of and any premium and interest on the debt securities; and
- any other specific terms of the debt securities.

We are not obligated to issue all debt securities of any one series at the same time. The debt securities of any one series may not bear interest at the same rate or mature on the same date.

If we sell any of the debt securities for foreign currencies or foreign currency units or if the principal of, or any premium or interest on, any series of debt securities is payable in foreign currencies or foreign currency units, we will describe the restrictions, elections, tax consequences, specific terms and other information with respect to those debt securities in the applicable prospectus supplement.

Except as may be described in the applicable prospectus supplement, the indenture will not limit our ability to incur indebtedness or afford holders of debt securities protection in the event of a decline in our credit quality or if we are involved in a takeover, recapitalization or highly leveraged or similar transaction. The prospectus

supplement relating to the particular series of debt securities, to the extent not otherwise described in this prospectus, will include any information with respect to any deletions from, modifications of or additions to the covenants or events of default described below and contained in the indenture, including any addition of a covenant or other provision providing event risk or similar protection.

Unless otherwise indicated in the applicable prospectus supplement, Devon s obligation to pay the principal of, and any premium and interest on, its senior debt securities will be unsecured and will rank equally with all of Devon s other unsecured unsubordinated indebtedness.

Interest Rates and Discounts

The debt securities will earn interest at a fixed or floating rate or rates for the period or periods of time specified in the applicable prospectus supplement. Unless otherwise specified in the applicable prospectus supplement, the debt securities will bear interest on the basis of a 360-day year consisting of twelve 30-day months.

We may sell debt securities at a substantial discount below their stated principal amount, bearing no interest or interest at a rate that at the time of issuance is below market rates. We will describe the federal income tax consequences and special considerations that apply to those debt securities in the applicable prospectus supplement.

Exchange, Registration and Transfer

Unless otherwise specified, debt securities of any series will be exchangeable for other debt securities of the same series and of like aggregate principal amount and tenor in different authorized denominations.

You may present debt securities for registration of transfer, together with a duly executed form of transfer, at the office of the security registrar or at the office of any transfer agent designated by us for that purpose with respect to any series of debt securities and referred to in the applicable prospectus supplement. This may be done without service charge but upon payment of any taxes and other governmental charges as described in the indenture. The security registrar or the transfer agent will effect the transfer or exchange upon being satisfied with the documents of title and identity of the person making the request. We may at any time designate additional transfer agents with respect to any series of debt securities.

In the event of any redemption, we will not be required to:

- execute, register the transfer of or exchange debt securities of any series during a period beginning at the opening of business 15 days before any selection of debt securities of that series to be redeemed and ending at the close of business on the day of mailing of the relevant notice of redemption; or

- execute, register the transfer of or exchange any debt security, or portion thereof, called for redemption, except the unredeemed portion of any debt security being redeemed in part.

Payment and Paying Agents

Unless we specify otherwise in the applicable prospectus supplement, we will pay the principal of, and any premium and interest on, debt securities at the office of the paying agent or paying agents that we designate at various times. However, at our option, we may make interest payments by check mailed to the address, as it appears in the security

register, of the person entitled to the payments. Unless we specify otherwise in the applicable prospectus supplement, the Corporate Trust Office of the trustee in Kansas City, Missouri, will be designated as our sole paying agent for payments with respect to debt securities that are issuable solely as registered securities.

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All monies we pay to a paying agent for the payment of principal of, and any premium and interest on, any debt security or coupon that remains unclaimed at the end of two years after becoming due and payable will be repaid to us. After that time, the holder of the debt security or coupon will look only to us for payments out of those repaid amounts.

Global Securities

The debt securities of a series may be issued in whole or in part in the form of one or more global certificates that we will deposit with a depository identified in the applicable prospectus supplement, or a custodian for such depository. Global securities may be issued in either registered or bearer form and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for the individual debt securities it represents, a global security may not be transferred except as a whole:

- by the applicable depositary to a nominee of the depositary;
- by any nominee to the depositary itself or another nominee; or
- by the depositary or any nominee to a successor depositary or any nominee of the successor.

We will describe the specific terms of the depositary arrangement with respect to a series of debt securities in the applicable prospectus supplement. We anticipate that the following provisions will generally apply to depositary arrangements.

When we issue a global security in registered form, the depositary for the global security or its nominee will credit, on its book-entry registration and transfer system, the respective principal amounts of the individual debt securities represented by that global security to the accounts of participants that have accounts with the depositary. Those accounts will be designated by the dealers, underwriters or agents with respect to the underlying debt securities or by us if those debt securities are offered and sold directly by us. Ownership of beneficial interests in a global security will be limited to participants or persons that may hold interests through participants. For interests of participants, ownership of beneficial interests in the global security will be shown on records maintained by the applicable depositary or its nominee. For interests of persons other than participants, that ownership information will be shown on the records of participants. Transfer of that ownership will be effected only through those records.

The laws of some states require that certain purchasers of securities take physical delivery of securities in definitive form. These limits and laws may impair your ability to transfer beneficial interests in a global security.

As long as the depositary for a global security, or its nominee, is the registered owner of that global security, the depositary or nominee will be considered the sole owner or holder of the debt securities represented by the global security for all purposes under the applicable indenture. Except as provided below, owners of beneficial interests in a global security:

- will not be entitled to have any of the underlying debt securities registered in their names;

- will not receive or be entitled to receive physical delivery of any of the underlying debt securities in definitive form; and

- will not be considered the owners or holders under the indenture relating to those debt securities.

We will make payments of principal of, and any premium and interest on, individual debt securities represented by a global security registered in the name of a depositary or its nominee to the depositary or its nominee as the registered owner of the global security representing such debt securities. Neither we, the trustee, any paying agent nor the registrar for the debt securities will be responsible for any aspect of the records relating to or payments made by the depositary or any participants on account of beneficial interests of the global security.

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We expect that the depositary or its nominee, upon receipt of any payment of principal, premium or interest relating to a permanent global security representing any series of debt securities, immediately will credit participants accounts with the payments. Those payments will be credited in amounts proportional to the respective beneficial interests of the participants in the principal amount of the global security as shown on the records of the depositary or its nominee. We also expect that payments by participants to owners of beneficial interests in the global security held through those participants will be governed by standing instructions and customary practices. This is now the case with securities held for the accounts of customers in bearer form or registered in street name. Those payments will be the sole responsibility of those participants.

If the depositary for a series of debt securities is at any time unwilling, unable or ineligible to continue as depositary and we do not appoint a successor depositary within 90 days, we will issue individual debt securities of that series in exchange for the global security or securities representing that series. In addition, we may at any time in our sole discretion determine not to have any debt securities of a series represented by one or more global securities. In that event, we will issue individual debt securities of that series in exchange for the global security or securities. Further, if we specify, an owner of a beneficial interest in a global security may, on terms acceptable to us, the trustee and the applicable depositary, receive individual debt securities of that series in exchange for those beneficial interests. The foregoing is subject to any limitations described in the applicable prospectus supplement. In that instance, the owner of the beneficial interest will be entitled to physical delivery of individual debt securities equal in principal amount to the beneficial interest and to have the debt securities registered in its name. Those individual debt securities will be issued in denominations, unless we specify otherwise, of $2,000 and in integral multiples of $1,000 in excess thereof.

For a description of the depositary arrangements for global securities held by The Depository Trust Company, also known as DTC, see Book-Entry Securities.

Events of Default

Unless otherwise specified in the applicable prospectus supplement, any one of the following events will constitute an event of default under the indentures with respect to the debt securities of any series issued under the indentures:

if we fail to pay any interest on any debt security of that series when due, and the failure continues for 30 days;

if we fail to pay principal of, or any premium on, the debt securities of that series when dduced or delayed the volume of desi management or aftermarket services ordered from us, including moving a portion of their manufacturing from us in order to r internal manufacturing capacity.

Our industry s revenue declined in mid-2001 as a result of significant cut backs in customer production requirements, wh downturn in the technology sector. Another significant decline has recently occurred as consumers and businesses have postp tighter credit, negative financial news, declines in income or asset values or general uncertainty about global economic condi have had a negative impact on our results of operations during fiscal year 2009, and may continue to have a negative impact. customers have moved a portion of their manufacturing from us in order to more fully utilize their excess internal manufactur continue to have a negative impact on our operations over at least the next several fiscal quarters. We cannot assure you that p not terminate their design, production, product management and aftermarket services arrangements with us or significantly ch amount of services ordered from us. If they do, it could have a material adverse effect on our

results of operations. In addition, we generate significant accounts receivable in connection with providing design, productio
aftermarket services to our customers. If one or more of our customers were to become insolvent or otherwise were unable to
us on a timely basis, or at all, our operating results and financial condition could be adversely affected. Such adverse effects c
following: a decline in revenue, a charge for bad debts, a charge for inventory write-offs, a decrease in inventory turns, an inc
increase in days in trade accounts receivable.

Certain of the industries to which we provide services, including the automobile industry, have recently experienced signi
some of the participants filing for bankruptcy. Such significant financial difficulty has negatively affected our business and, i
more of our customers, may further negatively affect our business due to the decreased demand of these financially distresse
inability of these companies to make full payment on amounts owed to us, or both. See Management s Discussion and Ana
Results of Operations and Risk Factors We face certain risks in collecting our trade accounts receivable.

Consolidation in industries that utilize electronics components may adversely affect our business.

Consolidation in industries that utilize electronics components may further increase as companies combine to achieve furt
synergies, which could result in an increase in excess manufacturing capacity as companies seek to divest manufacturing ope
product lines. Excess manufacturing capacity may increase pricing and competitive pressures for our industry as a whole and
Consolidation could also result in an increasing number of very large companies offering products in multiple industries. The
and market power of these large companies could increase pricing and competitive pressures for us. If one of our customers i
that does not rely on us to provide services and has its own production facilities or relies on another provider of similar servic
business. Such consolidation among our customers may further reduce the number of customers that generate a significant pe
exposes us to increased risks relating to dependence on a small number of customers. Any of the foregoing results of industry
affect our business.

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Our customers face numerous competitive challenges, such as decreasing demand from their customers, rapid technol cycles for their products, which may materially adversely affect their business, and also ours.

Factors affecting the industries that utilize electronics components in general, and our customers specifically, could seriou result, us. These factors include:

- recessionary periods in our customers markets;
- the inability of our customers to adapt to rapidly changing technology and evolving industry standards, which result
- the inability of our customers to develop and market their products, some of which are new and untested;
- the potential that our customers products may become obsolete;
- the failure of our customers products to gain widespread commercial acceptance;
- increased competition among our customers and their respective competitors which may result in a loss of business, for our customers; and
- new product offerings by our customers competitors may prove to be more successful than our customers produc

If our customers are unsuccessful in addressing these competitive challenges, or any others that they may face, then their b adversely affected, and as a result, the demand for our services could decline. Even if our customers are successful in respond responses may have consequences which affect our business relationships with our customers (and possibly our results of ope production cycles and inventory management.

The success of our business is dependent on both our ability to independently keep pace with technological changes an our industry, and also our ability to effectively adapt our services in response to our customers keeping pace with tech competitive conditions in their respective industries.

If we are unable to offer technologically advanced, cost effective, quick response manufacturing services, demand for our addition, if we are unable to offer services in response to our customers changing requirements, then demand for our service portion of our net revenue is derived from our offering of complete service solutions for our customers. For example, if we fa design and engineering services, our net revenue may significantly decline.

Most of our customers do not commit to long-term production schedules, which makes it difficult for us to schedule pr maximum efficiency of our manufacturing capacity.

The volume and timing of sales to our customers may vary due to:

- variation in demand for our customers products;
- our customers attempts to manage their inventory;
- electronic design changes;
- changes in our customers manufacturing strategy; and
- acquisitions of or consolidations among customers.

Due in part to these factors, most of our customers do not commit to firm production schedules for more than one quarter. level of customer orders with certainty makes it difficult to schedule production and maximize utilization of manufacturing ca been required to increase staffing and other expenses in order to meet the anticipated demand of our customers. Anticipated o customers have, in the past, failed to materialize or delivery schedules have been deferred as a result of changes in our custom adversely affecting our results of operations. On other occasions, our customers have required rapid increases in production, w burden on our resources. Such customer order fluctuations and deferrals have had a material adverse effect on us in the past, i fiscal quarters, and we may experience such effects in the future. See Management s Discussion and Analysis of Financial Operations.

In addition to our difficulty in forecasting customer orders, we sometimes experience difficulty forecasting the timing of o
earnings following commencement of manufacturing an additional product for new or existing customers. The necessary proc
of manufacturing can take from several months to more than a year before production begins. Delays in the completion of thi
our sales and related earnings. In addition, because we make

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capital expenditures during this ramping process and do not typically recognize revenue until after we produce and ship the c
excess costs in the ramping process may have a significant adverse effect on our cash flows.

Our customers may cancel their orders, change production quantities, delay production or change their sourcing stra

Our industry must provide increasingly rapid product turnaround for its customers. We generally do not obtain firm, long-
from our customers and we continue to experience reduced lead-times in customer orders. Customers have previously cancel
production quantities, delayed production and changed their sourcing strategy for a number of reasons, and may do one or mo
changes, delays and cancellations have led to, and may lead in the future to a decline in our production and our possession of
which we may not be able to sell to the customer or a third party. This has resulted in, and could result in future additional, w
have become obsolete or exceed anticipated demand or net realizable value.

The success of our customers products in the market affects our business. Cancellations, reductions, delays or changes in
customer or by a group of customers have negatively impacted, and could further negatively impact in the future, our operatin
number of products that we sell, delaying the payment to us for inventory that we purchased and reducing the use of our man
associated fixed costs not dependent on our level of revenue.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, prod
procurement commitments, personnel needs and other resource requirements, based on our estimate of customer requirement
customers commitments, their uncertainty about future economic conditions, and the possibility of rapid changes in demand
ability to accurately estimate the future requirements of those customers. In addition, uncertainty about future economic cond
forecast operating results and make production planning decisions about future periods.

On occasion, customers may require rapid increases in production, which can stress our resources and reduce operating ma
many of our costs and operating expenses are relatively fixed, a reduction in customer demand can harm our gross profits and

Customer relationships with emerging companies may present more risks than with established companies.

Customer relationships with emerging companies present special risks because such companies do not have an extensive p
is less demonstration of market acceptance of their products making it harder for us to anticipate needs and requirements than
addition, due to the current economic environment, additional funding for such companies may be more difficult to obtain an
may not continue or materialize to the extent we planned or we previously experienced. This tightening of financing for start-
many start-up customers lack of prior operations and unproven product markets increase our credit risk, especially in trade a
inventories. Although we perform ongoing credit evaluations of our customers and adjust our allowance for doubtful account
including start-up customers, based on the information available, these allowances may not be adequate. This risk exists for a
customers in the future.

**We compete with numerous other electronic manufacturing services and design providers and others, including our c
who may decide to manufacture some or all of their products internally.**

Our business is highly competitive. We compete against numerous domestic and foreign electronic manufacturing service
Benchmark Electronics, Inc., Celestica, Inc., Flextronics International Ltd., Hon-Hai Precision Industry Co., Ltd., Plexus Cor
Corporation. In addition, consolidation in our industry results in larger and more geographically diverse competitors who hav
with which to compete against us. Also, we may in the future encounter competition from other large electronic manufacturer
focused solely on design and manufacturing services, that are selling, or may begin to sell electronics manufacturing services
international operations and significant financial resources and some have substantially greater manufacturing, R&D and mar
competitors may:

- respond more quickly to new or emerging technologies;
- have greater name recognition, critical mass and geographic market presence;
- be better able to take advantage of acquisition opportunities;
- adapt more quickly to changes in customer requirements;
- devote greater resources to the development, promotion and sale of their services;

be better positioned to compete on price for their services, as a result of any combination of lower labor costs, lowe facilities costs or lower operating costs; and

be better able to utilize excess capacity which may reduce the cost of their product or service.

We also face competition from the manufacturing operations of our current and potential customers, who are continually e manufacturing products internally against the advantages of outsourcing. Recently, some of our customers have moved a port us in order to more fully utilize their excess internal manufacturing capacity.

We may be operating at a cost disadvantage compared to competitors who have greater direct buying power from compon raw material suppliers or who have lower cost structures as a result of their geographic location or the services they provide o or provide services at lower margins than us. As a result, competitors may procure a competitive advantage and obtain busine manufacturing processes are generally not subject to significant proprietary protection. In addition, companies with greater re presence may enter our market or increase their competition with us. We also expect our competitors to continue to improve t products or services, to reduce their current products or service sales prices and to introduce new products or services that ma improved pricing. Any of these developments could cause a decline in sales, loss of market acceptance of our products or ser or loss of market share.

The gross domestic product for the U.S., Europe and certain countries in Asia has declined, indicating that many of th including the U.S. economy, are in a recession.

There was an erosion of global consumer confidence amidst concerns over declining asset values, inflation, volatility in en the availability and cost of credit, rising unemployment, and the stability and solvency of financial institutions, financial mark nations. These concerns have slowed global economic growth and have resulted in recessions in many countries, including in countries in Asia. The recent economic conditions have had a negative impact on our results of operations during fiscal year 2 demand. Though we are starting to see signs of an economic stabilization, if such stabilization and subsequent recovery do no effects on our business could result, including customers or potential customers reducing or delaying orders, increased pricin key suppliers, which could result in production delays, the inability of customers to obtain credit, and the insolvency of one o economic conditions could negatively impact our visibility of customer demand, our ability to effectively manage inventory l and increase our need for cash, and have decreased our net revenue and profitability and negatively impacted the value of cer assets. Depending on the length of time that these conditions exist, they may cause future additional negative effects, includin

The financial markets have recently experienced significant turmoil, which may adversely affect financial arrangemen refinance or repay.

The credit market turmoil could negatively impact the counterparties to our interest rate swap agreements, forward exchan programs; our lenders under the Credit Facility; and our lenders under various foreign subsidiary credit facilities. These poten potentially limit our ability to borrow under these financing agreements, contracts, facilities and programs. In addition, if we additional financing, such as renewing or refinancing our $250.0 million U.S. asset-backed securitization program expiring o $200.0 million foreign asset-backed securitization program expiring on March 18, 2010, the credit market turmoil could nega obtain such financing. Finally, the credit market turmoil has negatively impacted certain of our customers, especially those in certain of their customers. These impacts could have several consequences which could have a negative effect on our results o more of the following: a negative impact on our liquidity; a decrease in demand for our products; a decrease in demand for ou debt charges or inventory write-offs.

We are exposed to intangible asset risk; specifically, our goodwill may become further impaired.

We determined that goodwill related to the Consumer and EMS reporting units was impaired and recorded a non-cash goo $400.4 million for the Consumer reporting unit and a non-cash goodwill impairment charge of $622.4 million for the EMS re ended August 31, 2009, respectively. We recorded impairment charges associated with goodwill for the Consumer reporting quarters of fiscal year 2009. Additionally, we recorded an impairment charge for the EMS reporting unit based on a prelimina determined in the second quarter of fiscal year 2009 and which was finalized in the third quarter of fiscal year 2009. At Augu goodwill recorded on the Consolidated Balance Sheets related to the Consumer or EMS reporting units and $25.1 million of g Consolidated Balance Sheets related to the AMS reporting unit. A further significant and sustained decline in our stock price significant decline in our expected future cash flows, a significant adverse change in the business climate or slower growth ra perform an impairment analysis under SFAS 142 in future periods. If we were to conclude that a future write down of our goo would record the appropriate charge, which could result in

material charges that are adverse to our operating results and financial position. See Note 6 Goodwill and Other Intangibl
Financial Statements and Management s Discussion and Analysis of Financial Condition and Results of Operations Criti
Estimates Long-Lived Assets.

The matters relating to the Special Committee s review of our historical stock option granting practices and the resta Financial Statements have resulted in litigation and regulatory inquiries and may result in future litigation, which cou effect on us.

As described in Part I, Item 3 Legal Proceedings, we are involved in a putative shareholder class action in connectior grants.

On May 3, 2006, in response to shareholder derivative actions that were filed in connection with certain historical stock op been settled and are no longer pending), the Board of Directors established an independent special Board Committee (the S review of the allegations of such actions and, more generally, our historical stock option granting practices during fiscal years cooperated fully with the Special Committee. The Special Committee concluded that the evidence did not support a finding o stock option grant pricing by any member of management. In addition, the Special Committee concluded that it was not in ou derivative actions.

As a result of that review and management s undertaking of a separate review of our historical stock option grant practice occasions in which stock option awards that were granted to officers, employees and a non-employee consultant director were correct these accounting errors, we restated prior year and prior quarter Consolidated Financial Statements and disclosures in 10-K for the fiscal year ended August 31, 2006. The review of our historical stock option granting practices and the resulting incur substantial expenses for legal, accounting, tax and other professional services and diverted our management s attention the future adversely affect our business, financial condition, results of operations and cash flows.

Our historical stock option granting practices and the restatement of our prior financial statements exposed us to greater ri regulatory proceedings. We cannot assure you that any determinations made in the current litigation or any future litigation o same conclusions on these issues that we reached. The conduct and resolution of these matters may continue to be time consu from the conduct of our business. Furthermore, if we are subject to adverse findings in any of these matters, we could be requ or have other remedies imposed upon us which could have a material adverse effect on our business, financial condition, resu

In May 2006, we received a subpoena from the U.S. Attorney s office for the Southern District of New York requesting c material. Such information was subsequently provided and we did not hear further from such U.S. Attorney s office. In addit Company was notified by the Staff of the SEC of an informal inquiry concerning the Company s stock option grant practices and directors fully cooperated with the SEC in the SEC s inquiry, and as previously disclosed in our Quarterly Report on For ended November 30, 2008, the Company received a letter from the SEC Division of Enforcement advising that the Division h and did not intend to recommend that the SEC take any enforcement action. We cannot, however, provide any assurances tha informal inquiry. The investigations of the U.S. Attorney s office and the SEC (if it re-opens its informal inquiry) may look a of our historical option grants, our disclosures regarding executive compensation, whether all proper corporate and other proc our historical financial statements are materially accurate and other issues. We cannot predict the outcome of those investigat assurances that such investigations will not find inappropriate activity in connection with our historical stock option practices our historical accounting associated with such stock option grant practices.

Our business could be adversely affected by any delays, or increased costs, resulting from issues that our common car transporting our materials, our products, or both.

We rely on a variety of common carriers to transport our materials from our suppliers to us, and to transport our products t Problems suffered by any of these common carriers, whether due to a natural disaster, labor problem, increased energy prices in shipping delays, increased costs, or some other supply chain disruption, and could therefore have a material adverse effect

We derive a substantial portion of our revenue from our international operations, which may be subject to a number o management time and expense to achieve profitability than our domestic operations.

We derived 83.8% of net revenue from international operations in fiscal year 2009 compared to 79.6% in fiscal year 2008 source revenue to slightly increase as compared to current levels over the course of the next twelve months. At August 31, 20 in Vienna, Austria; Hasselt, Belgium; Belo Horizonte, Manaus and Sorocaba, Brazil; Beijing, Huangpu, Nanjing, Shanghai, S and Yantai, China; Coventry, England; Brest, Lunel and Meung-sur-Loire, France; Jena, Germany; Szombathely and Tiszauj and Ranjangaon, India; Dublin, Ireland; Cassina de Pecchi, Marcianise and Bergamo, Italy; Gotemba, Hachiouji and Tokyo, J Chihuahua, Guadalajara and Reynosa, Mexico; Amsterdam and Eindhoven, The Netherlands; Bydgoszcz and Kwidzyn, Pola Livingston, Scotland; Singapore City, Singapore; Hsinchu, Taichung and Taipei, Taiwan; Ankara, Turkey; Uzhgorod, Ukrain Vietnam. We continually consider additional opportunities to make foreign acquisitions and construct new foreign facilities. O be subject to a number of risks, including:

- difficulties in staffing and managing foreign operations;
- less flexible employee relationships which can be difficult and expensive to terminate;
- labor unrest;
- political and economic instability (including acts of terrorism and outbreaks of war);
- inadequate infrastructure for our operations (i.e. lack of adequate power, water, transportation and raw materials);
- health concerns (such as the recent swine flu outbreaks) and related government actions;
- coordinating our communications and logistics across geographic distances and multiple time zones;
- risk of governmental expropriation of our property;
- less favorable, or relatively undefined, intellectual property laws;
- unexpected changes in regulatory requirements and laws;
- longer customer payment cycles and difficulty collecting trade accounts receivable;
- export duties, import controls and trade barriers (including quotas);
- adverse trade policies, and adverse changes to any of the policies of either the U.S. or any of the foreign jurisdiction
- adverse changes in tax rates;
- adverse changes to the manner in which the U.S. taxes U.S.-based multinational companies;
- legal or political constraints on our ability to maintain or increase prices;
- governmental restrictions on the transfer of funds to us from our operations outside the U.S.;
- burdens of complying with a wide variety of labor practices and foreign laws, including those relating to export and policies and privacy issues;
- fluctuations in currency exchange rates, which could affect local payroll, utility and other expenses;

- inability to utilize net operating losses incurred by our foreign operations against future income in the same jurisdic

- economies that are emerging or developing , that may be subject to greater currency volatility, negative growth, hig foreign exchange and other risks.

These factors may harm our results of operations, and any measures that we may implement to reduce the effect of volatil our international operations may not be effective. In our experience, entry into new international markets requires considerab start-up expenses for market development, hiring and establishing office facilities before any significant revenue is generated a new market may operate at low margins or may be unprofitable. See Management s Discussion and Analysis of Financia Operations Liquidity and Capital Resources.

Another significant legal risk resulting from our international operations is compliance with the U.S. Foreign Corrupt Pra foreign countries, particularly in those with developing economies, it may be a local custom that businesses operating in such practices that are prohibited by the FCPA or other U.S. laws and regulations. Although we have implemented policies and pr compliance with the FCPA and similar laws, there can be no assurance that all of our employees, and agents, as well as those outsource certain of our business operations, will not take actions in violation of our policies. Any such violation, even if pro have a material adverse effect on our business.

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If we do not manage our growth effectively, our profitability could decline.

Areas of our business may experience periods of rapid growth which could place considerable additional demands upon o operational, financial and management information systems. Our ability to manage growth effectively will require us to conti these systems; avoid cost overruns; maintain customer, supplier and other favorable business relationships during possible tra develop the management skills of our managers and supervisors; and continue to train, motivate and manage our employees. growth could have a material adverse effect on our results of operations. See Management s Discussion and Analysis of Fi Operations.

We may not achieve expected profitability from our acquisitions.

We cannot assure you that we will be able to successfully integrate the operations and management of our recent acquisiti you that we will be able to (1) identify future strategic acquisitions, (2) consummate these potential acquisitions on favorable consummated, successfully integrate the operations and management of future acquisitions. Acquisitions involve significant material adverse effect on us, including:

Financial risks, such as (1) the payment of a purchase price that exceeds the future value that we may realize from t businesses; (2) an increase in our expenses and working capital requirements, which could reduce our return on inv and unknown liabilities of the acquired businesses; (4) costs associated with integrating acquired operations and bu the issuance of additional equity securities; (6) the incurrence of additional debt; (7) the financial impact of valuing assets involved in any acquisitions, potential future impairment write-downs of goodwill and indefinite life intangib intangible assets; (8) possible adverse tax and accounting effects; and (9) the risk that we spend substantial amounts facilities and assume significant contractual and other obligations with no guaranteed levels of revenue or that we m cost.

Operating risks, such as (1) the diversion of management s attention to the assimilation of the businesses to be acq businesses will fail to maintain the quality of services that we have historically provided; (3) the need to implement add management resources; (4) the need to maintain customer, supplier or other favorable business relationships of restructure or terminate unfavorable relationships; (5) the potential for deficiencies in internal controls of the acqui able to attract and retain the employees necessary to support the acquired businesses; (7) unforeseen difficulties (in liabilities) in the acquired operations; and (8) the impact on us of any unionized work force we may acquire or any occur.

Most of our acquisitions involve operations outside of the U.S. which are subject to various risks including those describe substantial portion of our revenue from our international operations, which may be subject to a number of risks and often req expense to achieve profitability than our domestic operations.

We have acquired and may continue to pursue the acquisition of manufacturing and supply chain management operations customers). In these acquisitions, the divesting company will typically enter into a supply arrangement with the acquirer. The acquisitions is intense. In addition, certain divesting companies may choose not to consummate these acquisitions with us be arrangements with other companies or may require terms and conditions that may impact our profitability. If we are unable t of these acquisition opportunities at favorable terms, our growth and profitability could be adversely impacted.

In addition to those risks listed above, arrangements entered into with these divesting companies typically involve certain following:

The integration into our business of the acquired assets and facilities may be time-consuming and costly.

We, rather than the divesting company, may bear the risk of excess capacity.

We may not achieve anticipated cost reductions and efficiencies.

We may be unable to meet the expectations of the divesting company as to volume, product quality, timeliness and

If demand for the divesting company s products declines, it may reduce the volume of purchases and we may not b expenses of operating the facility or use the facility to provide services to other customers.

Our ability to achieve the expected benefits of the outsourcing opportunities associated with these acquisitions is subject t
meet volume, product quality, timeliness and pricing requirements, and our ability to achieve the divesting company s expec
when acquiring manufacturing operations, we may receive limited

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commitments to firm production schedules. Accordingly, in these circumstances, we may spend substantial amounts purchasi
and assume significant contractual and other obligations with no guaranteed levels of revenue. We may also not achieve expe
arrangements. As a result of these and other risks, these outsourcing opportunities may not be profitable.

We are expanding the primary scope of our acquisitions strategy beyond our customers and potential customers to include
their internal manufacturing operations to manufacturing providers such as us. The amount and scope of the risks associated
extend beyond those that we have traditionally faced in making acquisitions. These extended risks include greater uncertainti
potential liabilities associated with this expanded base of acquisitions.

We face risks arising from the restructuring of our operations.

Over the past few years, we have undertaken initiatives to restructure our business operations with the intention of improv
savings in the future. These initiatives have included changing the number and location of our production facilities, largely to
infrastructure with current and anticipated customer demand. This alignment includes transferring programs from higher cost
geographies. The process of restructuring entails, among other activities, moving production between facilities, closing facilit
realigning our business processes and reorganizing our management.

We continuously evaluate our operations and cost structure relative to general economic conditions, market demands, cost
geographic footprint as it relates to our customers production requirements. As a result of this ongoing evaluation, we have
Plan and the 2009 Restructuring Plan. See Management s Discussion and Analysis of Financial Condition and Results of O
Restructuring and Impairment Charges and Note 10 Restructuring and Impairment Charges to the Consolidated Financ
incur restructuring charges related to the 2006 Restructuring Plan, the 2009 Restructuring Plan, or both, or in connection with
restructuring program, in addition to those charges that we currently expect to incur, our financial condition and results of ope

We expect that in the future we may continue to transfer certain of our operations to lower cost geographies, which may re
restructuring charges. Restructurings present significant potential risks of events occurring that could adversely affect us, incl
morale, delays encountered in finalizing the scope of, and implementing, the restructurings (including extensive consultations
reductions, particularly in locations outside of the U.S.), the failure to achieve targeted cost savings and the failure to meet op
requirements due to the loss of employees and any work stoppages that might occur. These risks are further complicated by o
operations, which subject us to different legal and regulatory requirements that govern the extent, and the speed, of our ability
capacity and workforce. In addition, the current global economic conditions may change how governments regulate restructu
impacts local economies. Finally, we may have to obtain agreements from our affected customers for the re-location of our fa
Obtaining these agreements, along with the volatility in our customers demand, can further delay restructuring activities.

We depend on a limited number of suppliers for components that are critical to our manufacturing processes. A short increase in their price could interrupt our operations and reduce our profits.

Substantially all of our net revenue is derived from turnkey manufacturing in which we provide materials procurement. W
long-term customer contracts permit quarterly or other periodic adjustments to pricing based on decreases and increases in co
factors, we may bear the risk of component price increases that occur between any such re-pricings or, if such re-pricing is no
of the term of the particular customer contract. Accordingly, certain component price increases could adversely affect our gro
the products we manufacture require one or more components that are available from only a single source. Some of these com
to time in response to supply shortages. In some cases, supply shortages will substantially curtail production of all assemblies
In addition, at various times industry-wide shortages of electronic components have occurred, particularly of semiconductor p
circumstances have produced insignificant levels of short-term interruption of our operations, but could have a material adver
operations in the future. Also, our production of a customer s product could be negatively impacted by any quality or reliabi
component suppliers. Finally, the financial condition of our suppliers could affect their ability to supply us with components
adverse effect on our operations. See Management s Discussion and Analysis of Financial Condition and Results of Operat
Procurement .

We may not be able to maintain our engineering, technological and manufacturing process expertise.

The markets for our manufacturing and engineering services are characterized by rapidly changing technology and evolvi continued success of our business will depend upon our ability to:

hire, retain and expand our qualified engineering and technical personnel;

maintain technological leadership;

develop and market manufacturing services that meet changing customer needs; and

successfully anticipate or respond to technological changes in manufacturing processes on a cost-effective and time

Although we believe that our operations use the assembly and testing technologies, equipment and processes that are curr we cannot be certain that we will develop the capabilities required by our customers in the future. The emergence of new tec customer requirements may render our equipment, inventory or processes obsolete or noncompetitive. In addition, we may h testing technologies and equipment to remain competitive. The acquisition and implementation of new technologies and equ expense or capital investment, which could reduce our operating margins and our operating results. In facilities that we estab able to maintain our engineering, technological and manufacturing process expertise. Our failure to anticipate and adapt to o technological needs and requirements or to hire and retain a sufficient number of engineers and maintain our engineering, te expertise, could have a material adverse effect on our business.

If our manufacturing processes and services do not comply with applicable statutory and regulatory requirements, or containing design or manufacturing defects, demand for our services may decline and we may be subject to liability c

We manufacture and design products to our customers specifications, and, in some cases, our manufacturing processes a with applicable statutory and regulatory requirements. For example, medical devices that we manufacture or design, as well a manufacturing processes that we use to produce them, are regulated by the Food and Drug Administration and non-U.S. cou Similarly, items we manufacture for customers in the defense and aerospace industries, as well as the processes we use to pr Department of Defense and the Federal Aviation Authority. In addition, our customers products and the manufacturing pro often are highly complex. As a result, products that we manufacture may at times contain manufacturing or design defects, a may be subject to errors or not be in compliance with applicable statutory and regulatory requirements. Defects in the produ whether caused by a design, manufacturing or component failure or error, or deficiencies in our manufacturing processes, m customers or reduced or cancelled customer orders. If these defects or deficiencies are significant, our business reputation m of the products that we manufacture or our manufacturing processes and facilities to comply with applicable statutory and re subject us to legal fines or penalties and, in some cases, require us to shut down or incur considerable expense to correct a m In addition, these defects may result in liability claims against us or expose us to liability to pay for the recall of a product. T increase as we expand our medical, automotive and aerospace and defense manufacturing services, as defects in medical dev aerospace and defense systems could seriously harm or kill users of these products and others. Even if our customers are res not, or may not have resources to, assume responsibility for any costs or liabilities arising from these defects, which could ex claims.

Our regular manufacturing processes and services may result in exposure to intellectual property infringement and o

Providing manufacturing services can expose us to potential claims that the product design or manufacturing processes in property rights. Even though many of our manufacturing services contracts generally require our customers to indemnify us to the product specifications and designs, a particular customer may not, or may not have the resources to assume responsibi we may be responsible for claims that our manufacturing processes or components used in manufacturing infringe third part Infringement claims could subject us to significant liability for damages, and potentially injunctive action and, regardless of and expensive to resolve.

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Our design services offerings may result in additional exposure to product liability, intellectual property infringement to the business risk of being unable to produce the revenues necessary to profit from these services.

We continue our efforts to offer certain design services, primarily those relating to products that we manufacture for our c to offer design services related to collaborative design manufacturing and turnkey solutions (including end-user products and Providing such services can expose us to different or greater potential liabilities than those we face when providing our regul design services business increases our exposure to potential product liability claims resulting from injuries caused by defects potential claims that products we design or processes we use infringe third-party intellectual property rights. Such claims cou liability for damages, subject the infringing portion of our business to injunction and, regardless of their merits, could be time resolve. We also may have greater potential exposure from warranty claims and from product recalls due to problems caused associated with possible product liability claims, intellectual property infringement claims and product recalls could have a m results of operations. When providing collaborative design manufacturing or turnkey solutions, we may not be guaranteed rev from the investment in the resources necessary to design and develop products. Particularly, no revenue may be generated fro do not approve the designs in a timely manner or at all, or if they do not then purchase anticipated levels of products. Further customer to delay or cancel deliveries and may not obligate the customer to any volume of purchases, or may provide for pen we are late in delivering designs or products. We may even have the responsibility to ensure that products we design satisfy s and to obtain any necessary certifications. Failure to timely obtain the necessary approvals or certifications could prevent us f which in turn could harm our sales, profitability and reputation.

In our contracts with turnkey solutions customers, we generally provide them with a warranty against defects in our desig or component that we design is found to be defective in its design, this may lead to increased warranty claims. Although we h coverage, it may not be available on acceptable terms, in sufficient amounts, or at all. A successful product liability claim in or any material claim for which insurance coverage was denied or limited and for which indemnification was not available co effect on our business, results of operations and financial condition.

The success of our turnkey solution activities depends in part on our ability to obtain, protect and leverage intellectua designs.

We strive to obtain and protect certain intellectual property rights to our turnkey solutions designs. We believe that having proprietary technology gives us a competitive advantage in marketing our services. However, we cannot be certain that the m result in protected intellectual property rights or will result in the prevention of unauthorized use of our technology. If we are intellectual property rights embodied within our designs, this could reduce or eliminate the competitive advantages of our pro would harm our business.

Intellectual property infringement claims against our customers or us could harm our business.

Our turnkey solutions products and the products of our customers may compete against the products of other companies, r intellectual property rights underlying those products. Patent clearance or licensing activities, if any, may be inadequate to an claims. As a result, in addition to the risk that we could become subject to claims of intellectual property infringement, our cu infringement claims. Additionally, customers for our turnkey solutions services, or collaborative designs in which we have si contributions, typically require that we indemnify them against the risk of intellectual property infringement. If any claims ar our customers for such infringement, regardless of their merits, we could be required to expend significant resources in defen a claim, we may be required to spend a significant amount of money to develop non-infringing alternatives or obtain licenses developing such alternatives or obtaining such a license on reasonable terms or at all. Our customers may be required to or de which are alleged to be infringing rather than face continued costs of defending the infringement claims, and such discontinu decrease in our business.

We depend on our officers, managers and skilled personnel.

Our success depends to a large extent upon the continued services of our executive officers and other skilled personnel. Ge bound by employment or non-competition agreements, and we cannot assure you that we will retain our executive officers an could be seriously harmed by the loss of any of our executive officers. In order to manage our growth, we will need to recruit management personnel and if we are not able to do so, our business and our ability to continue to grow could be harmed.

Any delay in the implementation of our information systems could disrupt our operations and cause unanticipated inc

We have completed the installation of an Enterprise Resource Planning system in most of our manufacturing sites, excludi Taiwan Green Point Enterprises Co., Ltd. (Green Point) acquisition transaction, and in our corporate location. We are in th in certain of our remaining plants, including certain Green Point sites, which will replace the current Manufacturing Resource information systems. Any delay in the implementation of these information systems could result in material adverse conseque operations, loss of information and unanticipated increases in costs.

Compliance or the failure to comply with current and future environmental, product stewardship and producer respo could cause us significant expense.

We are subject to a variety of federal, state, local and foreign environmental, product stewardship and producer responsibi including those relating to the use, storage, discharge and disposal of hazardous chemicals used during our manufacturing pro changes, conformity assessments or recycling of products we manufacture. If we fail to comply with any present and future re subject to future liabilities, the suspension of production, or prohibitions on sales of products we manufacture. In addition, su ability to expand our facilities or could require us to acquire costly equipment, or to incur other significant expenses, includin recall of any non-compliant product or with changes in our procurement and inventory management activities.

Certain environmental laws impose liability for the costs of investigation, removal or remediation of hazardous or toxic su or operator of real estate, even if such person or company was unaware of or not responsible for the presence of such substan contamination may have occurred at some of our facilities. From time to time we investigate, remediate and monitor soil and certain of our operating sites. In certain instances where contamination existed prior to our ownership or occupation of a site, retained some contractual responsibility for contamination and remediation. However, failure of such persons to perform thos being required to remediate such contamination. As a result, we may incur clean-up costs in such potential removal or remedi we may be solely responsible for clean-up costs associated with remediation efforts.

From time to time new regulations are enacted, or existing requirements are changed, and it is difficult to anticipate how s be implemented and enforced. We continue to evaluate the necessary steps for compliance with regulations as they are enacte

Over the last several years, we have become subject to certain legal requirements, principally in Europe, regarding the use in, and the collection, reuse and recycling of waste from, certain products that use or generate electricity. Similar requirement imposed in other areas of the world where we manufacture or sell products, including China and the U.S. We believe that we continue to comply, with such emerging requirements. We may experience negative consequences from these emerging requi not limited to, supply shortages or delays, increased raw material and component costs, accelerated obsolescence of certain o and products and the need to modify or create new designs for our existing and future products.

Our failure to comply with any applicable regulatory requirements or with related contractual obligations could result in o liable for costs (including product recall and/or replacement costs), fines or penalties and third-party claims, and could jeopar business in the jurisdictions implementing them.

In addition, as global warming issues become more prevalent, the U.S. and foreign governments are beginning to respond governmental focus on global warming may result in new environmental regulations that may negatively affect us, our suppli could cause us to incur additional direct costs in complying with any new environmental regulations, as well as increased ind customers, suppliers or both incurring additional compliance costs that get passed on to us. These costs may adversely impac condition.

Our customers are becoming increasingly concerned with environmental issues, such as waste management (including rec (including reducing carbon outputs), and are increasingly expecting suppliers such as us to be similarly concerned and vigilar grow and require increased investments of time and resources to attract and retain customers.

We are subject to the risk of increased taxes.

We base our tax position upon the anticipated nature and conduct of our business and upon our understanding of the tax la which we have assets or conduct activities. Our tax position, however, is subject to review and possible challenge by taxing a changes in law (including adverse changes to the manner in which the U.S. taxes U.S. based multinational companies). We ca extent to which some jurisdictions may assess additional tax or interest and penalties on such additional taxes. In addition, ou increased by the generation of higher income in countries with higher tax rates, or changes in local tax rates. For example, Ch enterprise income tax law, effective January 1, 2008, which will result in a higher tax rate on operations in China as the rate i years.

Several countries in which we are located allow for tax incentives to attract and retain business. We have obtained incenti practicable. Our taxes could increase if certain tax incentives are retracted (which in some cases could occur if we fail to satis incentives are based), or if they are not renewed upon expiration, or tax rates applicable to us in such jurisdictions are otherw that tax incentives with respect to certain operations will expire within the next year. However, due to the possibility of chang operations, we are unable to predict how these expirations will impact us in the future. In addition, acquisitions may cause ou depending on the jurisdictions in which the acquired operations are located.

Our credit rating may be downgraded.

Our credit is rated by credit rating agencies. Our 5.875% Senior Notes, 7.750% Senior Notes and our 8.250% Senior Note Fitch Ratings (Fitch), Ba1 by Moody s and BB+ by S&P, and are considered to be below investment grade debt by all downgrade in April 2008, along with those by Fitch in October 2007 and Moody s in February 2007, and any potential futur rating, may make it more expensive for us to raise additional capital in the future on terms that are acceptable to us, if at all; r of our common stock; may increase our interest payments under existing debt agreements; and may have other negative impl which are beyond our control. In addition, as discussed below in Management s Discussion and Analysis of Financial Cond Liquidity and Capital Resources, the interest rate payable on the 8.250% Senior Notes and under the Credit Facility is subje if our credit ratings change. Thus, any potential future negative change in our credit rating may increase the interest rate paya the Credit Facility and certain of our other borrowings.

Our amount of debt could significantly increase in the future.

As of August 31, 2009, our debt obligations on the Consolidated Balance Sheets consisted of $5.1 million under our 5.875 under our 8.250% Senior Notes, $312.0 million under our 7.750% Senior Notes and $360.0 million outstanding under the ter As of August 31, 2009, there was $172.5 million outstanding under various bank loans to certain of our foreign subsidiaries a obligations. Refer to Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity Notes Payable, Long-Term Debt and Long-Term Lease Obligations to the Consolidated Financial Statements for further d

As of August 31, 2009, we have the ability to borrow up to $800.0 million under the revolving credit portion of the Credit Facility contemplates a potential increase of the revolving credit portion of up to an additional $200.0 million, if we and the l increase. We could incur additional indebtedness in the future in the form of bank loans, notes or convertible securities.

Should we desire to consummate significant additional acquisition opportunities, undertake significant additional expansio investments in our infrastructure, our capital needs would increase and could possibly result in our need to increase available credit facilities or access public or private debt and equity markets. There can be no assurance, however, that we would be su debt or equity on terms that we would consider acceptable.

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An increase in the level of our indebtedness, among other things, could:

- make it difficult for us to obtain any necessary financing in the future for other acquisitions, working capital, capita requirements or other purposes;
- limit our flexibility in planning for, or reacting to changes in, our business;
- make us more vulnerable in the event of a downturn in our business; and
- impact certain financial covenants that we are subject to in connection with our debt and securitization programs, in maximum ratio of debt to consolidated EBITDA (as defined in our debt agreements and securitization programs).

There can be no assurance that we will be able to meet future debt service obligations.

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

A portion of our business is conducted in currencies other than the U.S. dollar. Changes in exchange rates among other cu affect our cost of sales, operating margins and net revenue. We cannot predict the impact of future exchange rate fluctuations primarily forward contracts, to economically hedge U.S. dollar and other currency commitments arising from trade accounts payable, fixed purchase obligations and other foreign currency obligations. Based on our calculations and current forecasts, w activities enable us to largely protect ourselves from future exchange rate fluctuations. If, however, these hedging activities a or reduce these hedging activities in the future, we may experience significant unexpected expenses from fluctuations in exch

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

We pay interest on outstanding borrowings under our revolving credit facilities and certain other long term debt obligatio based upon changes in various base interest rates. An adverse change in the base rates upon which our interest rates are deter adverse effect on our financial position, results of operations and cash flows.

We face certain risks in collecting our trade accounts receivable.

We generate a significant amount of trade accounts receivable sales from our customers. If any of our customers has any l could be rising due to current economic conditions), then we could encounter delays or defaults in payments owed to us whic adverse impact on our financial condition and results of operations. For example, on January 14, 2009 and May 28, 2009, tw petition for reorganization under bankruptcy law. We have analyzed our financial exposure resulting from both of these custo result have recorded an allowance for doubtful accounts based upon our anticipated exposure associated with these events. O accounts receivables was $15.5 million as of August 31, 2009 (which represented approximately 1% of our gross trade accou $10.1 million as of August 31, 2008 (which represented less than 1% of our gross trade accounts receivable balance).

Certain of our existing stockholders have significant control.

At August 31, 2009, our executive officers, directors and certain of their family members collectively beneficially owned common stock, of which William D. Morean, our Chairman of the Board, beneficially owned 7.5%. As a result, our executiv of their family members have significant influence over (1) the election of our Board of Directors, (2) the approval or disapp requiring stockholder approval and (3) the affairs and policies of Jabil.

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Our stock price may be volatile; and further decreases in our stock price, among other factors, may lead to further im

Our common stock is traded on the New York Stock Exchange (the NYSE). The market price of our common stock ha and could fluctuate substantially in the future, based on a variety of factors, including future announcements covering us or o government regulations, litigation, changes in earnings estimates by analysts, fluctuations in quarterly operating results, or ge and the aerospace, automotive, computing, consumer, defense, instrumentation, medical, networking, peripherals, solar, stora industries. Furthermore, stock prices for many companies and high technology companies in particular, fluctuate widely for r their operating results. Those fluctuations and general economic, political and market conditions, such as recessions or intern demand for our services, may adversely affect the market price of our common stock.

Provisions in our charter documents and state law may make it harder for others to obtain control of us even though s consider such a development to be favorable.

Our shareholder rights plan, provisions of our amended certificate of incorporation and the Delaware Corporation Laws m someone from gaining control of us through a tender offer, business combination, proxy contest or some other method. These impact our shareholders because they may decrease the possibility of a transaction in which our shareholders receive an amou for their shares that is at a significant premium to the then current market price of our shares. These provisions include:

- a poison pill shareholder rights plan;
- a statutory restriction on the ability of shareholders to take action by less than unanimous written consent; and
- a statutory restriction on business combinations with some types of interested shareholders.

Previous changes in the securities laws and regulations have increased, and may continue to increase, our costs; and a increase our costs.

The Sarbanes-Oxley Act of 2002, as well as related rules promulgated by the SEC and the NYSE, required changes in son securities disclosure and compliance practices. Compliance with these rules has increased our legal and financial accounting the announcement and effectiveness of these new rules. While these costs are no longer increasing, they may in fact increase the recent turmoil in the securities and credit markets, as well as the global economy, many U.S. and international governmen authorities including, but not limited to, the SEC and the NYSE, are currently contemplating changes in their laws, regulatior changes, especially from the SEC or NYSE, may cause our legal and financial accounting costs to increase.

Due to inherent limitations, there can be no assurance that our system of disclosure and internal controls and procedu preventing all errors or fraud, or in informing management of all material information in a timely manner.

Our management, including our CEO and CFO, does not expect that our disclosure controls and internal controls and proc all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance system are met. Further, the design of a control system reflects that there are resource constraints, and the benefits of controls their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assuranc instances of fraud, if any, within the company have been or will be detected. These inherent limitations include the realities t decision-making can be faulty and that breakdowns can occur simply because of error or mistake. Additionally, controls can individual acts of some persons, by collusion of two or more people, or by management override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, a that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may becon in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitation system, misstatements due to error or fraud may occur and may not be detected.

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If we receive other than an unqualified opinion on the adequacy of our internal control over financial reporting as of A year-ends as required by Section 404 of the Sarbanes-Oxley Act of 2002, investors could lose confidence in the reliabil which could result in a decrease in the value of your shares.

As directed by Section 404 of the Sarbanes-Oxley Act of 2002, the SEC adopted rules requiring public companies to inclu control over financial reporting in their annual reports on Form 10-K that contains an assessment by management of the effec internal control over financial reporting. The independent registered public accounting firm, KPMG LLP, issued an unqualifi of our internal control over financial reporting as of August 31, 2009. While we continuously conduct a rigorous review of ou reporting in order to assure compliance with the Section 404 requirements, if our independent registered public accounting fir requirements and the related rules and regulations differently from us or if our independent registered public accounting firm control over financial reporting or with the level at which it is documented, operated or reviewed, they may issue an adverse could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our consolidated fir

In addition, we have spent a significant amount of resources in complying with Section 404 s requirements. For the fores continue to spend substantial amounts complying with Section 404 s requirements, as well as improving and enhancing our i reporting.

There are inherent uncertainties involved in estimates, judgments and assumptions used in the preparation of financia with U.S. generally accepted accounting principles (U.S. GAAP). Any changes in estimates, judgments and assump adverse effect on our business, financial position and results of operations.

The condensed consolidated and consolidated financial statements included in the periodic reports we file with the SEC ar U.S. GAAP. The preparation of financial statements in accordance with U.S. GAAP involves making estimates, judgments ar reported amounts of assets, liabilities and related reserves, revenues, expenses and income. Estimates, judgments and assump change in the future, and any such changes could result in corresponding changes to the amounts of assets, liabilities and rela and income. Any such changes could have a material adverse effect on our financial position and results of operations. In add GAAP are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public A various bodies formed to create appropriate accounting policies, and interpret such policies. A change in those policies can ha accounting methods. For example, although not yet currently required, the SEC could require us to adopt the International Fi the next few years, which could have a significant effect on certain of our accounting methods.

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

Our operations may be subject to natural disasters or other business disruptions, which could seriously harm our results of and expenses. We are susceptible to losses and interruptions caused by hurricanes (including in Florida, where our headquart power shortages, telecommunications failures, water shortages, tsunamis, floods, typhoons, fire, extreme weather conditions, terrorist acts and other natural or manmade disasters. Our insurance coverage with respect to natural disasters is limited and i coverage limits. Such coverage may not be adequate, or may not continue to be available at commercially reasonable rates an

Energy price increases may negatively impact our results of operations.

Certain of the components that we use in our manufacturing activities are petroleum-based. In addition, we, along with ou on various energy sources (including oil) in our transportation activities. While significant uncertainty currently exists about a significant increase is possible. Increased energy prices could cause an increase to our raw material costs and transportation transportation costs of certain of our suppliers and customers could be passed along to us. We may not be able to increase our these increased costs. In addition, any increase in our product prices may reduce our future customer orders and profitability.

Item 1B. Unresolved Staff Comments

We have not received any written comments from the SEC staff regarding our periodic or current reports under the Excha before the date that is 180 days before the end of our 2009 fiscal year and that remain unresolved.

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Item 2. Properties

We have manufacturing, aftermarket services, design and support operations located in Austria, Belgium, Brazil, China, E
Hungary, India, Ireland, Italy, Japan, Malaysia, Mexico, The Netherlands, Poland, Russia, Scotland, Singapore, Taiwan, Ukra
part of our historical restructuring programs, certain of our facilities are no longer used in our business operations, as identifi
that our properties are generally in good condition, are well maintained and are generally suitable and adequate to carry out o
for the foreseeable future. The table below lists the locations and square footage for our facilities as of August 31, 2009:

Location	Approximate Square Footage	Type of Interest (Leased/Owned)	Desc
Auburn Hills, Michigan	207,000	Owned	Manufacturing, Desig
Auburn Hills, Michigan	19,000	Leased	Support
Belo Horizonte, Brazil	298,000	Leased	Manufacturing
Billerica, Massachusetts (1)	503,000	Leased	Prototype Manufactur
Chihuahua, Mexico	1,025,000	Owned	Manufacturing, Aftern
Chihuahua, Mexico	168,000	Leased	Manufacturing
Colorado Springs, Colorado	4,000	Leased	Design
Guadalajara, Mexico	363,000	Owned	Manufacturing
Guadalajara, Mexico	210,000	Leased	Manufacturing
Louisville, Kentucky	140,000	Leased	Aftermarket
McAllen, Texas	211,000	Leased	Aftermarket
Manaus, Brazil	155,000	Leased	Manufacturing
Memphis, Tennessee	1,196,000	Leased	Manufacturing, Aftern
Poughkeepsie, New York	40,000	Leased	Manufacturing
Reynosa, Mexico	410,000	Owned	Aftermarket
Reynosa, Mexico	443,000	Leased	Manufacturing, Aftern
Round Rock, Texas	105,000	Leased	Aftermarket
San Jose, California (1)	181,000	Leased	Prototype Manufactur
Sorocaba, Brazil	60,000	Leased	Manufacturing
St. Petersburg, Florida	280,000	Leased	Manufacturing, Aftern
St. Petersburg, Florida	173,000	Owned	Manufacturing, Desig
Tempe, Arizona	191,000	Owned	Manufacturing
Tempe, Arizona	4,000	Leased	Training, Storage
Total Americas	6,386,000		
Beijing, China	9,000	Leased	Design
Chennai, India (2)	284,000	Owned	Manufacturing
Gotemba, Japan	138,000	Leased	Manufacturing
Hachiouji, Japan	24,000	Leased	Manufacturing
Ho Chi Minh City, Vietnam	105,000	Leased	Manufacturing
Huangpu, China	2,613,000	Owned	Manufacturing
Huangpu, China	363,000	Leased	Manufacturing
Hsinchu, Taiwan	6,000	Leased	Design
Mumbai, India	77,000	Leased	Support
Nanjing, China	135,000	Leased	Manufacturing
Penang, Malaysia	1,003,000	Owned	Manufacturing, Aftern
Penang, Malaysia	219,000	Leased	Manufacturing
Pune, India	11,000	Leased	Manufacturing

Ranjangaon, India	858,000	Owned	Manufacturing
Shanghai, China	360,000	Owned	Manufacturing, Desig
Shenzhen, China	827,000	Leased	Manufacturing

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Location	Approximate Square Footage	Type of Interest (Leased/Owned)	Des
Singapore City, Singapore	84,000	Leased	Manufacturing
Suzhou, China	316,000	Leased	Manufacturing, Aftern
Taichung, Taiwan	564,000	Owned	Manufacturing, Desig
Taichung, Taiwan	43,000	Leased	Manufacturing, Desig
Taipei, Taiwan	9,000	Leased	Design
Tianjin, China	70,000	Owned	Manufacturing
Tianjin, China	1,948,000	Leased	Manufacturing
Tokyo, Japan	4,000	Leased	Design, Support
Wuxi, China	453,000	Owned	Manufacturing
Wuxi, China	910,000	Leased	Manufacturing
Yentai, China	416,000	Leased	Manufacturing
Total Asia	11,849,000		
Amsterdam, The Netherlands	90,000	Leased	Aftermarket
Ayr, Scotland	13,000	Leased	Manufacturing
Bergamo, Italy	10,000	Leased	Support
Brest, France	449,000	Owned	Manufacturing
Bydgoszcz, Poland	131,000	Leased	Aftermarket
Cassina, Italy	125,000	Leased	Manufacturing
Coventry, England	46,000	Leased	Aftermarket, Support
Dublin, Ireland	4,000	Leased	Support
Eindhoven, The Netherlands	3,000	Leased	Support
Genova, Italy (2)	1,000	Leased	Support
Hasselt, Belgium	65,000	Leased	Prototype Manufactur
Jena, Germany	8,000	Leased	Design
Kwidzyn, Poland	703,000	Owned	Manufacturing
Livingston, Scotland	130,000	Owned	Manufacturing
Lunel, France	25,000	Leased	Manufacturing
Marcianise, Italy	293,000	Leased	Manufacturing
Meung-sur-Loire, France (3)	111,000	Owned	Manufacturing
San Marco Evangelista (CE), Italy (2)	72,000	Leased	Manufacturing
Szombathely, Hungary	198,000	Owned	Aftermarket
Tiszaujvaros, Hungary	409,000	Owned	Manufacturing
Tver, Russia	51,000	Leased	Manufacturing
Uzhgorod, Ukraine	227,000	Owned	Manufacturing
Vienna, Austria	87,000	Leased	Prototype Manufactur
Total Europe	3,251,000		
Total Facilities at August 31, 2009	21,486,000		

(1) A portion of this facility is no

longer used in our business operations.

(2) This facility is no longer used in our business operations.

(3) Following the end of our 2009 fiscal year, we entered into a sales transaction in which we will sell the entity that owns this facility. We currently expect this transaction to close in the first quarter of our 2010 fiscal year, and upon this closing, we will no longer own this facility.

Certifications

Our manufacturing facilities and our aftermarket facilities are ISO certified to ISO 9001:2000 standards and most are also environmental standards. Following are additional certifications that are held by certain of our manufacturing facilities as list

Aerospace Standard AS/EN 9100	Brest, France; Livingston, Scotland; Singapore City, Singapore; St. Petersburg,

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Automotive Standard TS16949 Auburn Hills, Michigan; Chihuahua, Mexico; Huangpu, China; Meung-sur-Loire, and Vienna, Austria.

FDA Medical Certification Auburn Hills, Michigan; Livingston, Scotland; and Tempe, Arizona.

Medical Standard ISO-13485 Auburn Hills, Michigan; Guadalajara, Mexico; Hasselt, Belgium; Livingston, Scotl Shanghai, China; Tempe, Arizona and Tiszaujvaros, Hungary.

Occupational Health & Safety Management System Standard OHSAS 18001 Ayr, Scotland; Brest, France; Guada Shanghai, China; Manaus, Brazil; Penang, Malaysia; Singapore City, Singapore; St. Petersburg, Florida; and Tiszau

Telecommunications Standard TL 9000 Penang, Malaysia; San Jose, California; and Shanghai and Wuxi, China.

ESD/ANSI 20:20 Standard Guadalajara, Mexico; Auburn Hills, Michigan; St.Petersburg, Florida; Tempe, Arizona Wuxi, China.

Item 3. Legal Proceedings

i. Private Litigation Related to Certain Historical Stock Option Grant Practices

In April and May of 2006, shareholder derivative lawsuits were filed in State Circuit Court in Pinellas County, Florida on shareholder of ours naming us as a nominal defendant, and naming certain of our officers and directors as defendants. Those consolidated (the Consolidated State Derivative Action). The Consolidated State Derivative Action alleged breaches of ce Company by backdating certain stock option grants between August 1998 and October 2004 to make it appear that they were stock price was lower. Subsequently, two similar federal derivative suits were filed and consolidated in January 2007 into one Federal Derivative Action).

On May 3, 2006, our Board of Directors appointed a Special Committee that reviewed the allegations asserted in all of the concluded that the evidence did not support a finding of intentional manipulation of stock option grant pricing by any membe the Special Committee concluded that it was not in our best interests to pursue the derivative actions and stated that it would in each of the pending derivative lawsuits. The Special Committee identified certain factors related to the controls surroundin option grants that contributed to the accounting errors that led to a restatement of certain of our historical financial statements

In September 2007, we reached an agreement to resolve the Consolidated State Derivative Action and the Consolidated Fe not involve us paying any monetary damages, but it did adopt several new policies and procedures to improve the process thr determined, approved and accounted for. In April 2008, the State Court entered an order dismissing the Consolidated State A proposed settlement was fair, adequate and reasonable, and that awarded the plaintiffs counsel $700.0 thousand in attorney which was paid by our Directors and Officers insurance carriers and $125.0 thousand of which was paid by us). On April approved the proposed settlement agreement and dismissed the Consolidated Federal Action.

In addition to the derivative actions, on September 18, 2006, a putative shareholder class action was filed in the U.S. Distr of Florida, Tampa Division against us and various present and former officers and directors, including Forbes I.J. Alexander, Grafstein, Mel S. Lavitt, Chris Lewis, Timothy Main, Mark T. Mondello, William D. Morean, Lawrence J. Murphy, Frank A Thomas A. Sansone and Kathleen A. Walters on behalf of a proposed class of plaintiffs comprised of persons that purchased September 19, 2001 and June 21, 2006. A second putative class action, containing virtually identical legal claims and allegati October 12, 2006. The two actions were consolidated into a single proceeding (the Consolidated Class Action) and on Jan The Laborers Pension Trust Fund for Northern California and Pension Trust Fund for Operating Engineers as lead plaintiffs i the lead plaintiffs filed a consolidated class action complaint (the Consolidated Class Action Complaint). The Consolidate purported to be brought on behalf of all persons who purchased our publicly traded securities between September 19, 2001 ar names us and certain of our current and former officers, including Forbes I.J. Alexander, Scott D. Brown, Wesley B. Edward Mondello, Robert L. Paver and Ronald J. Rapp, as well as certain of our directors, Mel S. Lavitt, William D. Morean, Frank Grafstein, Steven A. Raymund, Lawrence J. Murphy, Kathleen A. Walters and Thomas A. Sansone, as defendants. The Cons alleged violations of Sections 10(b), 20(a), and 14(a) of the Exchange Act and the rules promulgated thereunder. The Consoli alleged that the defendants engaged in a scheme to fraudulently backdate the grant dates of options for various senior officers consolidated financial statements to understate management compensation and overstate net earnings, thereby inflating our st

complaint alleged that our proxy statements falsely stated that we had adhered to our option grant policy of granting options a
on the trading date immediately prior to the date of the grant. Also, the complaint alleged that the defendants failed to timely
circumstances that led us, on

June 12, 2006, to announce that we were lowering our prior guidance for net earnings for the third quarter of fiscal year 2006
plaintiffs filed a First Amended Consolidated Class Action Complaint asserting claims substantially similar to the Consolidat
replaced but adding additional allegations relating to the restatement of earnings previously announced in connection with the
calculation of compensation expense for certain stock option grants. We filed a motion to dismiss the First Amended Consoli
June 29, 2007. The plaintiffs filed an opposition to our motion to dismiss, and we then filed a reply memorandum in further s
on September 28, 2007. On April 9, 2008, the Court dismissed the First Amended Consolidated Class Action Complaint with
amend such complaint on or before May 12, 2008.

On May 12, 2008, plaintiffs filed a Second Amended Class Action Complaint. The Second Amended Class Action Compl
same causes of action against the same defendants, predicated largely on the same allegations of fact as in the First Amended
Complaint except insofar as the plaintiffs added KPMG LLP, our independent registered public accounting firm, as a defenda
allegations with respect to (a) pre-class period option grants, (b) the professional background of certain defendants, (c) option
employees, (d) the restatement of our financial results for certain periods between 1996 and 2005 and (e) trading by the name
defendants during the class period. The Second Amended Class Action Complaint also includes an additional claim for inside
defendants pursuant to Rules 10b-5 and 10b5-1 promulgated pursuant to the Exchange Act. We filed a motion to dismiss the
Complaint.

On January 26, 2009, the Court dismissed the Second Amended Class Action Complaint with prejudice. The plaintiffs app
February 20, 2009, and the Second Amended Class Action Complaint has been set for oral arguments in December 2009. We
Amended Class Action Complaint is without merit and we will continue to vigorously defend the action, although no assuran
ultimate outcome of any such further proceedings.

ii. Securities Exchange Commission Informal Inquiry and U.S. Attorney Subpoena Related to Certain Historical Stock Optior

In addition to the private litigation described above, we were notified on May 2, 2006 by the Staff of the SEC of an inform
option grant practices. In May 2006, we received a subpoena from the U.S. Attorney s office for the Southern District of Nev
option related material. Such information was subsequently provided and we did not hear further from such U.S. Attorney s
our historical stock option practices led us to review certain transactions proposed or effected between fiscal years 1999 and 2
recognized revenue associated with those transactions. The Audit Committee of our Board of Directors engaged independent
reviewing certain proposed or effected transactions with certain customers that occurred during this period. The review deter
documentation to support our recognition of certain revenues received during the period. Our Audit Committee concluded tha
that any of our employees intentionally made or caused false accounting entries to be made in connection with these transacti
impact was immaterial. We provided the SEC with the report that this independent counsel produced regarding these revenue
Committee s report regarding our stock option grant practices, and the other information requested and cooperated fully with
and the U.S. Attorney s office.

We received a letter from the SEC Division of Enforcement on November 24, 2008, advising us that the Division had com
not intend to recommend that the SEC take any enforcement action.

iii. Other Litigation

We are party to certain other lawsuits in the ordinary course of business. We do not believe that these proceedings, individ
have a material adverse effect on our financial position, results of operations or cash flows.

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

None.

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PART II

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

Our common stock trades on the New York Stock Exchange under the symbol JBL. The following table sets forth the h for our common stock as reported on the New York Stock Exchange for the fiscal periods indicated.

Fiscal Year Ended August 31, 2009
First Quarter (September 1, 2008 November 30, 2008)
Second Quarter (December 1, 2008 February 28, 2009)
Third Quarter (March 1, 2009 May 31, 2009)
Fourth Quarter (June 1, 2009 August 31, 2009)

Fiscal Year Ended August 31, 2008
First Quarter (September 1, 2007 November 30, 2007)
Second Quarter (December 1, 2007 February 29, 2008)
Third Quarter (March 1, 2008 May 31, 2008)
Fourth Quarter (June 1, 2008 August 31, 2008)

On October 12, 2009, the closing sales price for our common stock as reported on the New York Stock Exchange was $14 there were 4,748 holders of record of our common stock.

Information regarding equity compensation plans is incorporated by reference to the information set forth in Item 12 of Pa

Dividends

The following table sets forth certain information relating to our cash dividends paid or declared to common stockholders 2009.

Dividend Information

	Dividend declaration date	Dividend per share	Total of cash dividends declared	Date of record for dividend payment
		(in thousands, except for per share data)		
Fiscal year 2008:	November 1, 2007	$0.07	$14,667	November 15, 2007
	January 17, 2008	$0.07	$14,704	February 15, 2008
	April 17, 2008	$0.07	$14,704	May 15, 2008
	July 16, 2008	$0.07	$14,739	August 15, 2008
Fiscal year 2009:	October 24, 2008	$0.07	$14,916	November 17, 2008
	January 22, 2009	$0.07	$14,974	February 17, 2009
	April 23, 2009	$0.07	$14,954	May 15, 2009
	July 16, 2009	$0.07	$14,992	August 17, 2009

We currently expect to continue to declare and pay quarterly dividends of an amount similar to our past declarations. How payment of future dividends are discretionary and will be subject to determination by our Board of Directors each quarter fol performance.

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Issuer Purchases of Equity Securities

The following table provides information relating to our repurchase of common stock for the fourth quarter of fiscal year 2

Period	Total Number of Shares Purchased (1)		Average Price Paid per Share	Total Nu of Shar Purcha as Par Publi Annou Progr
June 1, 2009 June 30, 2009		$		
July 1, 2009 July 31, 2009	195	$	7.77	
August 1, 2009 August 31, 2009		$		
Total	195	$	7.77	

(1) The number of shares reported above as purchased are attributable to shares surrendered to us by employees in payment o Option exercises or minimum tax obligations related to vesting of restricted shares.

Item 6. Selected Financial Data

The following selected data are derived from our Consolidated Financial Statements. This data should be read in conjuncti Financial Statements and notes thereto incorporated into Item 8, and with Item 7, Management s Discussion and Analysis of of Operations.

	Fiscal Year Ended August 31,			
	2009	2008	2007	
	(in thousands, except for per share			
Consolidated Statement of Operations Data:				
Net revenue	$ 11,684,538	$ 12,779,703	$ 12,290,592	$
Cost of revenue	10,965,723	11,911,902	11,478,562	
Gross profit	718,815	867,801	812,030	
Selling, general and administrative	495,941	491,324	491,967	
Research and development	27,321	32,984	36,381	
Amortization of intangibles	31,039	37,288	29,347	
Restructuring and impairment charges	51,894	54,808	72,396	
Goodwill impairment charges	1,022,821			
Operating (loss) income	(910,201)	251,397	181,939	
Other expense	20,111	11,902	15,888	
Interest income	(7,426)	(12,014)	(14,531)	
Interest expense	82,247	94,316	86,069	
(Loss) income before income taxes and minority interest	(1,005,133)	157,193	94,513	
Income tax expense	160,898	25,119	21,401	
Minority interest, net of tax	(819)	(1,818)	(124)	

Net (loss) income	$ (1,165,212)	$ 133,892	$ 73,236
(Loss) earnings per share:			
Basic	$ (5.63)	$ 0.65	$ 0.36
Diluted	$ (5.63)	$ 0.65	$ 0.35
Common shares used in the calculations of (loss) earnings per share:			
Basic	207,002	205,275	203,779
Diluted	207,002	206,158	206,972

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	2009	2008	August 31, 2007 (in thousands)
Consolidated Balance Sheets Data:			
Working capital	$ 990,900	$ 1,091,497	$ 675,446
Total assets	$ 5,317,858	$ 7,032,137	$ 6,295,232
Current installments of notes payable, long-term debt and long-term lease obligations	$ 197,575	$ 269,937	$ 501,716
Notes payable, long-term debt and long term lease obligations, less current installments	$ 1,036,873	$ 1,099,473	$ 760,477
Total stockholders equity	$ 1,435,162	$ 2,715,725	$ 2,443,011
Cash dividends declared, per share	$ 0.28	$ 0.28	$ 0.28

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

Overview

We are one of the leading providers of worldwide electronic manufacturing services and solutions. We provide comprehen production, product management and aftermarket services to companies in the aerospace, automotive, computing, consumer, instrumentation, medical, networking, peripherals, solar, storage and telecommunications industries. The industry in which w companies that provide a range of manufacturing and design services to companies that utilize electronics components in thei experienced rapid change and growth through the 1990 s as an increasing number of companies chose to outsource an increa all of their manufacturing requirements. In mid-2001, the industry s revenue declined as a result of significant cut-backs in c which was consistent with the overall downturn in the technology sector at the time. In response to this downturn in the techn restructuring programs to reduce our cost structure and further align our manufacturing capacity with the geographic producti Industry revenues generally began to stabilize in 2003 and companies turned to outsourcing versus internal manufacturing. In industries serviced, as well as the market penetration in certain industries, by electronic manufacturing service providers has years. After several years of growth, our net revenues for fiscal year 2009 declined by approximately 8.6% to $11.7 billion as fiscal year 2008. This decline was largely the result of a deteriorating macro-economic environment within this past year whi overall credit markets and a significant economic downturn in the North American, European and Asian markets. Though sig regarding the extent and timing of the economic recovery, we are beginning to see signs of stabilization as the overall credit m improved and it appears that the global economic stimulus programs put in place are starting to have a positive impact, partic continue to monitor the current economic environment and its potential impact on both the customers that we serve as well as manage our costs and capital resources so that we can respond appropriately as circumstances continue to change. Such econ implement the 2009 Restructuring Plan discussed below. Also, as a result of recent economic conditions, some of our custom manufacturing from us in order to more fully utilize their excess internal manufacturing capacity. This movement, and possib negatively impact our results of operations.

We manage our business and operations in three divisions Consumer, EMS and AMS. We believe that these divisions p our customers by grouping business units with similar needs together into divisions, each with full accountability for design, management and delivery. Our Consumer division has dedicated resources designed to meet the particular needs of the consu focuses on cell phones and mobile products, televisions, set-top boxes and peripheral products such as printers. Our EMS div such as, aerospace, automotive, computing, defense, industrial, instrumentation, medical, networking, solar, storage and telec AMS division provides warranty and repair services to customers in a broad range of industries, including certain of our man

We derive revenue principally from the product sales of electronic equipment built to customer specifications. We recogni
product return costs, generally when goods are shipped, title and risk of ownership have passed, the price to the buyer is fixed
recoverability is reasonably assured. The volume and timing of orders placed by our customers vary due to several factors, in
our customers products; our customers attempts to manage their inventory; electronic design changes; changes in our custo
acquisitions of or consolidations among our customers. Demand for our customers products depends on, among other things
conditions and general economic conditions.

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Our cost of revenue includes the cost of electronic components and other materials that comprise the products we manufac
manufacturing overhead; and adjustments for excess and obsolete inventory. As a provider of turnkey manufacturing services
procuring components and other materials. This requires us to commit significant working capital to our operations and to ma
inspection and stocking of materials. Although we bear the risk of fluctuations in the cost of materials and excess scrap, we p
materials adjustments with our customers. Net revenue from each product that we manufacture consists of an element based o
product and an element based on the labor and manufacturing overhead costs allocated to that product. We refer to the portion
that is based on materials costs as material-based revenue, and to the portion of the sales price of a product that is based on
costs as manufacturing-based revenue. Our gross margin for any product depends on the mix between the cost of materials
and manufacturing overhead allocated to the product. We typically realize higher gross margins on manufacturing-based reve
materials-based revenue. As we gain experience in manufacturing a product, we usually achieve increased efficiencies, which
manufacturing overhead costs for that product.

Our operating results are impacted by the level of capacity utilization of manufacturing facilities; indirect labor costs; and
administrative expenses. Operating income margins have generally improved during periods of high production volume and h
periods of low production volume, we generally have idle capacity and reduced operating income margins. As our capacity h
through the construction of new greenfield facilities, the expansion of existing facilities and our acquisition of additional faci
administrative expenses have increased to support this growth.

We have consistently utilized advanced circuit design, production design and manufacturing technologies to meet the need
this effort, our engineering staff focuses on developing and refining design and manufacturing technologies to meet specific n
of the expenses associated with these customer-specific efforts are reflected in our cost of revenue. In addition, our engineers
technologies that apply generally to our operations. The expenses of these R&D activities are reflected in the Research and
Consolidated Statement of Operations.

An important element of our strategy is the expansion of our global production facilities. The majority of our revenue and
denominated in U.S. dollars, while our labor and utility costs in plants outside the U.S. are denominated in local currencies. W
local currency costs, based on our evaluation of the potential exposure as compared to the cost of the hedge, through the purc
contracts. Changes in the fair market value of such hedging instruments are reflected in the Consolidated Statement of Operat
subject to risks of currency fluctuations and related hedging operations.

We currently depend, and expect to continue to depend, upon a relatively small number of customers for a significant perc
significant reduction in sales to any of our large customers or a customer exerting significant pricing and margin pressures on
adverse effect on our results of operations. In the past, some of our customers have terminated their manufacturing arrangeme
reduced or delayed the volume of manufacturing services ordered from us. There can be no assurance that present or future cu
manufacturing arrangements with us or significantly change, reduce or delay the amount of manufacturing services ordered fr
a manufacturing relationship or change, reduction or delay in orders could have a material adverse effect on our results of ope
See Risk Factors Because we depend on a limited number of customers, a reduction in sale to any one of our customers co
our revenue, Risk Factors Most of our customers do not commit to long-term production schedules, which makes it diffi
and achieve maximum efficiency of our manufacturing capacity, Risk Factors Our customers may cancel their orders, ch
production or change their sourcing strategy and Note 13 Concentration of Risk and Segment Data to the Consolidated

Summary of Results

Net revenues for fiscal year 2009 decreased approximately 8.6% to $11.7 billion compared to $12.8 billion for fiscal year
our sectors, except for the mobility sector and the AMS division. These decreases were largely due to the reductions in custom
downturn in the global macro-economic environment.

During the second quarter of fiscal year 2009, our Board of Directors approved a restructuring plan to better align our man
geographies and to reduce our worldwide workforce by approximately 3,000 employees in order to reduce operating expense
These restructuring activities were intended to address market conditions and properly size our manufacturing facilities to inc
operations. Based on the analysis completed to date, we currently expect to recognize approximately $64.0 million in pre-tax
costs and reduce our world-wide headcount by approximately 4,500 employees over the course of our fiscal years 2009 and 2
valuation allowance of $13.1 million on certain deferred tax assets. The restructuring charges include pre-tax employee sever
costs, contract termination costs and other related restructuring costs. The impairment charges include pre-tax

fixed asset impairment costs, as well as valuation allowances against net deferred tax assets. This information will be subject for the transition of functions, consultation with employees and their representatives as well as the statutory severance require jurisdictions impacted, and the amount and timing of the actual charges may vary due to a variety of factors. Based on the on conditions, it is possible that we may perform additional restructuring activities in the future. For further discussion of this re restructuring and impairment costs recognized, refer to Management s Discussion and Analysis of Financial Condition and Operations Restructuring and Impairment Charges and Note 10 Restructuring and Impairment Charges to the Conso Risk Factors We face risks arising from the restructuring of our operations.

The following table sets forth, for the fiscal year ended August 31, certain key operating results and other financial inform share data).

	Fiscal Year Ende	
	2009	2008
Net revenue	$11,684,538	$12,779,
Gross profit	$ 718,815	$ 867,
Operating (loss) income	$ (910,201)	$ 251,
Net (loss) income	$ (1,165,212)	$ 133,
(Loss) earnings per share - basic	$ (5.63)	$ (
(Loss) earnings per share - diluted	$ (5.63)	$ (

Key Performance Indicators

Management regularly reviews financial and non-financial performance indicators to assess the Company s operating res for the quarterly periods indicated, certain of management s key financial performance indicators.

	Three Month	
	August 31, 2009	May 31, 2009
Sales cycle	16 days	22 days
Inventory turns	9 turns	8 turns
Days in accounts receivable	41 days	40 days
Days in inventory	42 days	46 days
Days in accounts payable	67 days	64 days

	Three Month	
	August 31, 2008	May 31, 2008
Sales cycle	20 days	21 days
Inventory turns	8 turns	8 turns
Days in accounts receivable	40 days	39 days
Days in inventory	45 days	47 days
Days in accounts payable	65 days	65 days

The sales cycle is calculated as the sum of days in accounts receivable and days in inventory, less the days in accounts pa in the sales cycle quarter over quarter is a direct result of changes in these indicators. Days in accounts receivable increased o three months ended August 31, 2009 from the prior sequential quarter which was primarily due to timing of sales and cash co quarter. During the three months ended May 31, 2009, days in accounts receivable increased four days to 40 days from the pr of lower utilization of our accounts receivable securitization program at the end of the quarter. During the three months ende accounts receivable decreased eight days to 36 days from the prior sequential quarter as a result of the timing of sales and fo during the quarter, as well as related seasonality factors. During the three months ended November 30, 2008 days in accounts to 44 days from the prior sequential quarter as a result of consumer sector seasonal demand, the launch of new product volum

reduction in the sales of receivables under our North American Securitization Program.

Days in inventory decreased four days to 42 days during the three months ended August 31, 2009 from the prior sequentia
inventory management. Days in inventory remained consistent at 46 days during the three months ended May 31, 2009, the th
2009, and the three months ended November 30, 2008. Inventory turns increased to 9 turns during the three months ended Au
during the prior sequential quarters.

Days in accounts payable increased three days to 67 days during the three months ended August 31, 2009 from the prior s
accounts payable increased two days to 64 days during the three months ended May 31, 2009 from the prior sequential quarte
during the three months ended February 28, 2009 from the prior sequential quarter and increased one day to 66 days during t
November 30, 2008 from the prior sequential quarter. These fluctuations in days in accounts payables during fiscal year 2009
timing of purchases and cash payments for purchases during the respective quarters.

The sales cycle was 16 days during the three months ended August 31, 2009, 22 days during the three months ended May
three months ended February 28, 2009 and 24 days during the three months ended November 30, 2008. The changes in the sa
in accounts receivable, accounts payable and inventory that are discussed above.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements and related disclosures in conformity with U.S. GAAP requires m
and judgments that affect our reported amounts of assets and liabilities, revenues and expenses, and related disclosures of co
an on-going basis, we evaluate our estimates and assumptions based upon historical experience and various other factors and
believes that our estimates and assumptions are reasonable under the circumstances; however, actual results may vary from th
under different future circumstances. It has been difficult to make predictions and estimates based on our historical experienc
circumstances present in the macro-economic environment. We have identified the following critical accounting policies that
judgments and estimates used in the preparation of our consolidated financial statements. For further discussion of our signifi
Note 1 Description of Business and Summary of Significant Accounting Policies to the Consolidated Financial Stateme

Revenue Recognition

We derive revenue principally from the product sales of electronic equipment built to customer specifications. We also de
from aftermarket services, design services and excess inventory sales. Revenue from product sales and excess inventory sales
estimated product return costs, when goods are shipped; title and risk of ownership have passed; the price to the buyer is fixe
recoverability is reasonably assured. Aftermarket service related revenue is recognized upon completion of the services. Desi
generally recognized upon completion and acceptance by the respective customer. We assume no significant obligations afte

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts related to receivables not expected to be collected from our customers. T
management s assessment of specific customer balances, considering the age of receivables and financial stability of the cus
change in the financial condition and circumstances of our customers, or if actual defaults are higher than provided for, an ad
necessary.

Inventory Valuation

We purchase inventory based on forecasted demand and record inventory at the lower of cost or market. Management reg
valuation based on current and forecasted usage, customer inventory-related contractual obligations and other lower of cost o
market conditions or our customers product demands are less favorable than those projected, additional valuation adjustmen

Long-Lived Assets

We review property, plant and equipment and amortizable intangible assets for impairment whenever events or changes in
carrying amount of an asset may not be recoverable. Recoverability of property, plant and equipment is measured by compari
undiscounted projected cash flows that the asset(s) or asset group(s) are expected to generate. If the carrying amount of an as
recoverable, we recognize an impairment loss based on the excess of the carrying amount of the long-lived asset over its resp
generally determined as either the present value of estimated future cash flows or the appraised value. The impairment analys
assumptions of future results made by management, including revenue and cash flow projections. Circumstances that may lea
plant and equipment include unforeseen decreases in future performance or industry demand and the restructuring of our ope
in our business strategy or adverse economic conditions. For further discussion of our current restructuring program, refer to
Impairment Charges to the Consolidated Financial Statements and Management s Discussion and Analysis of Financial C
Results of Operations Restructuring and Impairment Charges.

We have recorded intangible assets, including goodwill, in connection with business acquisitions. Estimated useful lives o
are determined by management based on an assessment of the period over which the asset is expected to contribute to future
amortizable intangible assets impacts the amounts allocable to goodwill.

In accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* (SFAS impairment analysis using the two-step method on an annual basis and whenever events or changes in circumstances indicate be recoverable. The recoverability of goodwill is measured at the reporting unit level, which we have determined to be consis by comparing the reporting unit s carrying amount, including goodwill, to the fair market value of the reporting unit. We co market value of our reporting units based on an average weighting of both projected discounted future results and the use of c The use of comparative market multiples (the market approach) allows us to compare ourselves to companies based on valua value. We regularly evaluate our Company and our divisions relative to our competitors and we believe the judgments used t companies are reasonable. The use of projected discounted future results (discounted cash flow approach) is based on assump estimates of future growth and the strategic plan used to manage the underlying business and also includes a probability-weig cash flows. Factors requiring significant judgment include assumptions related to future growth rates, discount factors, and ta considerations. Changes in economic and operating conditions that occur after the annual impairment analysis or an interim i impact these assumptions, may result in a future goodwill impairment charge.

Based upon a combination of factors, including a significant and sustained decline in our market capitalization below our macro-economic environment, which resulted in a significant decline in customer demand, and illiquidity in the overall credi sufficient indicators of impairment existed and, accordingly, performed an interim goodwill impairment analysis during the f second quarter of fiscal year 2009.

During the first quarter of fiscal year 2009, we determined that the goodwill related to the Consumer reporting unit was im preliminary non-cash goodwill impairment charge of approximately $317.7 million. The income tax expense associated with impairment charge was $4.4 million. This included a tax benefit of $30.6 million for the write-off of tax deductible goodwill resulting from the recognition of a valuation allowance against the deferred tax assets that we no longer believe are more like

During the second quarter of fiscal year 2009, and prior to finalizing the preliminary non-cash goodwill impairment charg 2008, related to the Consumer reporting unit, we concluded that additional impairment indicators were present. As a result of that the goodwill related to the Consumer reporting unit was fully impaired and recorded an additional non-cash goodwill im approximately $82.7 million. Further, we also determined that the goodwill related to the EMS reporting unit was fully impai non-cash goodwill impairment charge of the remaining approximately $622.4 million. The income tax expense associated wi $111.8 million for the fiscal quarter ended February 28, 2009. This included a tax benefit of $9.0 million for the write-off of income tax expense of $120.8 million resulting from the recognition of a valuation allowance against the deferred tax assets t more likely than not to be realized.

During the third quarter of fiscal year 2009, we finalized the valuation of the tangible and intangible assets and the allocat liabilities of the EMS reporting unit with no additional impairment charges recorded. After recognition of the above non-cash goodwill remained with the Consumer and EMS reporting units, respectively.

The non-cash goodwill impairment charge of $1.0 billion for the fiscal year ended August 31, 2009 did not impact our cas compliance.

The impairment evaluation for indefinite-lived intangible assets, which for us is a trade name, is conducted during the fou more frequently if events or changes in circumstances indicate that an asset may be impaired. As a result of the impairment i the first quarter and again in the second quarter of fiscal year 2009, we evaluated our trade name for impairment by comparin future revenue projections to its carrying value and determined that there was no impairment. Additionally, we noted that the present during the third and fourth quarters of fiscal year 2009. Significant judgments inherent in this analysis included assun revenue growth rates, discount rates and royalty rates.

We completed the annual impairment test for goodwill, which consisted of approximately $25.1 million related to the AM indefinite-lived intangible assets during the fourth quarter of fiscal year 2009 and determined that no impairment existed as o

We review long-lived assets, including intangible assets subject to amortization, which for us are our contractual agreeme intellectual property, for impairment whenever events or changes in circumstances indicate that the carrying amount of such Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset group to the future undis to be generated by those assets. If such assets are considered to be impaired, the impairment charge recognized is the amount of the assets exceeds the fair value of the assets. As a result of the impairment indicators described above, during the first qua

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quarter of fiscal year 2009, we tested our long-lived assets for impairment and determined that there was no impairment. Add indicators were present during the third or fourth quarters of fiscal year 2009.

Restructuring and Impairment Charges

We have recognized restructuring and impairment charges related to reductions in workforce, re-sizing and closure of cert of production from certain facilities into other new and existing facilities. These charges were recorded pursuant to formal pla management and our Board of Directors. The recognition of restructuring and impairment charges requires that we make cert regarding the nature, timing and amount of costs associated with these plans. The estimates of future liabilities may change, r and impairment charges or the reduction of liabilities already recorded. At the end of each reporting period, we evaluate the r ensure that no excess accruals are retained and the utilization of the provisions are for their intended purpose in accordance w For further discussion of our restructuring programs, refer to Note 10 Restructuring and Impairment Charges to the Con Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Restru

Pension and Other Postretirement Benefits

We have pension and postretirement benefit costs and liabilities in certain foreign locations that are developed from actuar valuations require management to make certain judgments and estimates of discount rates, compensation rate increases and re these assumptions on a regular basis taking into consideration current market conditions and historical market data. The disco future cash flows at a present value on the measurement date. This rate represents the market rate for high-quality fixed incor rate increases the present value of benefit obligations and increases pension expense. When considering the expected long-ter assets, we take into account current and expected asset allocations, as well as historical and expected returns on plan assets. O demographic factors such as retirement, mortality and turnover. For further discussion of our pension and postretirement bene Postretirement Benefits to the Consolidated Financial Statements.

Income Taxes

We estimate our income tax provision in each of the jurisdictions in which we operate, a process that includes estimating e examinations by taxing authorities. We must also make judgments regarding the ability to realize the deferred tax assets. The deferred tax assets is based on our belief that it is more likely than not that we will generate sufficient future taxable income i these deferred tax assets. A valuation allowance has been established for deferred tax assets that we do not believe meet the established by Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes* (SFAS 109). Our judg income may change due to changes in market conditions, changes in tax laws or other factors. If our assumptions and conseq the future, the valuation allowances we have established may be increased or decreased, resulting in a respective increase or d As discussed above, during fiscal year 2009, we realized a tax benefit of $39.6 million for the write-off of tax deductible goo $155.8 million resulting from the recognition of a valuation allowance against the deferred tax assets that we no longer believ realized.

In June of 2006, the Financial Accounting Standards Board (the FASB) issued Interpretation No. 48, *Accounting for Ui Interpretation of FASB Statement No. 109* (FIN 48), which clarifies the accounting for uncertainty in income taxes in an en accordance with SFAS 109. FIN 48 prescribes a recognition threshold and measurement attribute for financial statement reco tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, inte interim periods, disclosure and transition. For further discussion related to our income taxes, refer to Note 4 Income Taxe Statements.

Stock-Based Compensation

In accordance with the provisions of Statement of Financial Accounting Standards No. 123(R), *Share-Based Payments* (and Exchange Commission Staff Accounting Bulletin No. 107 (SAB 107), we began recognizing stock-based compensatio statement of operations on September 1, 2005. The fair value of options granted prior to September 1, 2005 were valued usin the stock appreciation rights granted after this date were valued using a lattice valuation model. Option pricing models requir assumptions, including the expected life of the option or stock appreciation right, risk-free rate, expected dividend yield and t underlying stock. Judgment is also required in estimating the number of stock awards that are expected to vest as a result of s schedules or the achievement of certain performance conditions. If actual results or future changes in estimates differ signific stock-based compensation could increase or decrease. For further discussion of our stock-based compensation, refer to Note Consolidated Financial Statements and Risk Factors The matters relating to the Special Committee s review of our histor and the restatement of our

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Consolidated Financial Statements have resulted in litigation and regulatory inquiries and may result in future litigation, whic
effect on us.

Recent Accounting Pronouncements

See Note 15 New Accounting Pronouncements to the Consolidated Financial Statements for a discussion of recent ac

Results of Operations

The following table sets forth, for the periods indicated, certain statements of operations data expressed as a percentage of ne

	Fiscal Year
	2009
Net revenue	100.0%
Cost of revenue	93.8
Gross profit	6.2
Selling, general and administrative	4.3
Research and development	0.2
Amortization of intangibles	0.3
Restructuring and impairment charges	0.4
Goodwill impairment charges	8.8
Operating (loss) income	(7.8)
Other expense	0.2
Interest income	(0.1)
Interest expense	0.7
(Loss) income before income taxes and minority interest	(8.6)
Income tax expense	1.4
Minority interest, net of tax	0.0
Net (loss) income	(10.0%)

Fiscal Year Ended August 31, 2009 Compared to Fiscal Year Ended August 31, 2008

Net Revenue. Our net revenue decreased 8.6% to $11.7 billion for fiscal year 2009, down from $12.8 billion in fiscal year
a 45% decrease in the sale of display products; a 27% decrease in the sale of networking products; a 25% decrease in the sale
decrease in the sale of computing and storage products; a 9% decrease in the sale of telecommunication products; a 5% decre
products; a 5% decrease in the sale of instrumentation and medical products; and a 35% decrease in the sale of other products
driven by reduced production levels as a result of softened customer demand due to the weakened macro-economic environm
an 8% increase in aftermarket services and a 50% increase in the sale of mobility products predominately related to the produ
existing customer within the sector.

Generally, we assess revenue on a global customer basis regardless of whether the growth is associated with organic grow
Accordingly, we do not differentiate or report separately revenue increases generated by acquisitions as opposed to existing b
cost structures associated with our acquisitions have historically been relatively insignificant when compared to our overall c

The following table sets forth, for the periods indicated, revenue by industry sector expressed as a percentage of net reven
across our industry sectors has fluctuated, and will continue to fluctuate, as a result of numerous factors, including but not lim
fluctuations in customer demand as a result of the weakened macro-economic environment; our continuing efforts to de-empl
of certain sectors, most specifically in the automotive and display sectors; seasonality in our business; and business growth fr
including production of new products in the mobility sector.

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	Fiscal Ye
	2009
EMS	
Automotive	3%
Computing and storage	11%
Instrumentation and medical	19%
Networking	17%
Telecommunications	6%
Other	2%
Total EMS	58%
Consumer	
Display	4%
Mobility	20%
Peripherals	12%
Total Consumer	36%
AMS	6%
Total	100%

Foreign source revenue represented 83.8% of our net revenue for fiscal year 2009 and 79.6% of net revenue for fiscal year
foreign source revenue to slightly increase as a percentage of net revenue over the course of fiscal year 2010 due to expansion

Gross Profit. Gross profit decreased to $718.8 million (6.2% of net revenue) for fiscal year 2009 from $867.8 million (6.8
2008. The decrease in gross profit as a percentage of net revenue from the prior fiscal year was primarily due to our revenues
certain of our fixed costs as we continue to seek to reduce our cost structure in order to align with lower demand levels and o
macro-economic conditions.

Selling, General and Administrative. Selling, general and administrative expenses increased to $495.9 million (4.3% of n
from $491.3 million (3.8% of net revenue) for fiscal year 2008. On an absolute dollar basis, selling general and administrativ
constant. Certain of our selling, general and administrative costs are generally necessary to support our business and the need
immediately change as a result of our revenues increasing or decreasing. On a percentage basis, the increase in selling, genera
therefore, was primarily due to our revenues decreasing at a higher rate than certain of our selling, general and administrative
months ended August 31, 2008.

Research and Development. Research and development (R&D) expenses for fiscal year 2009 decreased to $27.3 millio
$33.0 million (0.3% of net revenue) for fiscal year 2008. The decrease is attributed primarily to the de-emphasis of original d
consumer sectors.

Amortization of Intangibles. We recorded $31.0 million of amortization of intangibles in fiscal year 2009 as compared to
2008. The decrease was primarily attributable to certain intangible assets that became fully amortized since August 31, 2008.
regarding purchased intangibles, see Acquisitions and Expansion below, Note 1(f) Description of Business and Summa
Goodwill and Other Intangible Assets , Note 6 Goodwill and Other Intangible Assets and Note 7 Business Acquisit
Statements.

Restructuring and Impairment Charges.

a. 2009 Restructuring Plan

In conjunction with the 2009 Restructuring Plan, we currently expect to recognize approximately $64.0 million in total res
excluding valuation allowances of $13.1 million on certain deferred tax assets, primarily over the course of fiscal years 2009
we charged $53.7 million in fiscal year 2009 to the Consolidated Statement of Operations. These charges related to the 2009
$47.1 million related to employee severance and termination benefit costs, $0.1 million related to lease commitments, $6.4 m
impairments, and $0.1 million related to other restructuring costs.

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These $53.7 million restructuring and impairment charges related to the 2009 Restructuring Plan incurred through August totaling $47.3 million, of which $19.2 million was paid in fiscal year 2009. The cash costs of $47.3 million consist of employ benefit costs of approximately $47.1 million, $0.1 million related to lease commitments, and approximately $0.1 million rela Non-cash costs of approximately $6.4 million primarily represent fixed asset impairment charges related to our restructuring

At August 31, 2009, accrued liabilities of approximately $27.8 million related to the 2009 Restructuring Plan are expected months. The remaining liability of $3.0 million is expected to be paid primarily through fiscal year 2011.

Upon its completion, the 2009 Restructuring Plan is expected to yield annualized cost savings of approximately $55.0 mil annual cost savings are expected to be reflected as a reduction in cost of revenue, with a small portion being reflected as a red administrative expense. These expected annualized cost savings reflect a reduction in employee expense of approximately $4 depreciation expense of approximately $5.9 million, a reduction in lease commitment costs of approximately $0.1 million, a r costs of approximately $4.8 million and a reduction of selling, general and administrative expenses of approximately $3.4 mi expected annualized cost savings, we have realized a cumulative annual cost savings of approximately $14.0 million by the e year 2009.

As part of the 2009 Restructuring Plan, we have determined that it was more likely than not that certain deferred tax assets result of the contemplated restructuring activities. Therefore, we recorded a valuation allowance of $13.1 million on deferred Restructuring Plan. The valuation allowances are excluded from the restructuring and impairment charge of $53.7 million for recorded through the provision for income taxes on the Consolidated Statement of Operations.

b. 2006 Restructuring Plan

Upon the approval by our Board of Directors, we initiated a restructuring plan in the fourth quarter of fiscal year 2006 (the have substantially completed restructuring activities under this plan and expect to incur the remaining costs over the remaind certain contract termination costs to be incurred through fiscal year 2011.

We recorded a reversal of restructuring and impairment costs of $1.8 million during fiscal year 2009 and a charge of restr $54.8 million in fiscal year 2008. The reversal of restructuring and impairment costs for fiscal year 2009 include $2.7 million severance and termination benefit costs than originally anticipated, offset by additional lease commitment charges of $0.9 mi

At August 31, 2009, liabilities of approximately $4.2 million related to the 2006 Restructuring Plan are expected to be pai months. The remaining liability of $4.0 million relates primarily to the charge for certain lease commitments and employee s benefits payments and is expected to be paid primarily during the remainder of fiscal year 2010 through fiscal year 2011.

As of August 31, 2009, as a result of the restructuring activities related to the 2006 Restructuring Plan, we expect to avoid $151.5 million that would otherwise have been incurred if the restructuring activities had not been completed. The expected a reduction in employee related expenses of approximately $137.7 million, a reduction in depreciation expense associated with approximately $8.5 million, and a reduction in rent expense associated with leased buildings that have been vacated of appro majority of these annual cost savings will be reflected as a reduction in cost of revenue, with a small portion being reflected a and administrative expense. These annual costs savings are expected to be offset by decreased revenues associated with certa the end-of-life stage; decreased revenues as a result of shifting production to plants located in lower cost regions where comp require that we pass those cost savings onto our customers; and incremental employee related costs expected to be incurred b production will be shifted. After considering these cost savings offsets, we began to realize the full net annualized cost saving $39.0 million during the third quarter of fiscal year 2009. For further discussion of the restructuring programs, see Note 10 Charges to the Consolidated Financial Statements.

Goodwill Impairment Charge. We recorded a non-cash goodwill impairment charge in the amount of $1.0 billion for fisc carrying amount of our goodwill to its estimated fair value based upon the results of two interim impairment tests conducted quarters of fiscal year 2009. We performed these impairment tests based upon a combination of factors, including a significan market capitalization below our carrying value, the deteriorating macro-economic environment, which resulted in a significan and illiquidity in the overall credit markets. The total goodwill impairment charge included $400.4 million in the Consumer r $622.4 million in the EMS reporting segment. After recognition of these charges, no goodwill remained with the Consumer a respectively. A further significant and sustained decline in our stock price and market capitalization, a significant decline in c

expected future cash flows, a significant adverse change in the business climate or slower growth rates, however, could result impairment analysis under SFAS 142 in future periods. For further discussion of goodwill impairment charges recorded, see Intangible Assets to the Consolidated Financial Statements and Management s Discussion and Analysis of Financial Con Critical Accounting Policies and Estimates Long-Lived Assets.

Other Expense. We recorded other expense totaling $20.1 million and $11.9 million for the fiscal years ending August 31 The increase in other expense was primarily due to recognizing a loss of $10.5 million on the extinguishment of $294.9 milli and recording a loss on the impairment of a note receivable for $4.2 million. This increase was primarily offset by a decrease accounts receivable under our North American securitization program of $6.6 million which was primarily due to a decrease under the program during the fiscal year ended August 31, 2009, as well as a decrease in the interest rates during the period. at any one time under the North American asset-backed securitization program was decreased from $280.0 million to $250.0 For further discussion of our accounts receivable securitization program, see Note 2 Accounts Receivable Securitizations Statements.

Interest Income. Interest income decreased to $7.4 million in fiscal year 2009 from $12.0 million in fiscal year 2008. The lower overall interest rates during the year.

Interest Expense. Interest expense decreased to $82.2 million in fiscal year 2009 from $94.3 million in fiscal year 2008. T result of lower variable interest rates and lower utilization of the foreign asset-backed securitization program during the twelv 2009 as compared to the same period in fiscal year 2008.

Income Taxes. Income tax expense reflects an effective tax rate of (16.0)% for fiscal year 2009, as compared to an effecti year 2008. The effective tax rate differs from the previous period due to the impairment of non-deductible goodwill and the c allowances against certain deferred tax assets that are no longer more likely than not to be realized. The tax rate is predomina rates in the various jurisdictions in which we do business. Most of our international operations have historically been taxed a primarily due to tax incentives granted to our sites in Brazil, China, Hungary, India, Malaysia and Poland that expire at vario incentives are subject to conditions with which we expect to continue to comply. See Risk Factors We are subject to the r Income Taxes to the Consolidated Financial Statements for further discussion.

Fiscal Year Ended August 31, 2008 Compared to Fiscal Year Ended August 31, 2007

Net Revenue. Our net revenue increased 4.0% to $12.8 billion for fiscal year 2008, up from $12.3 billion in fiscal year 20 revenue base year-over-year primarily represents stronger market share with our existing programs, organic growth from new vertical companies continue to convert to an outsourcing model, and additional sales related to certain recent business acquis partially offset by decreased levels of production with a major customer in the mobility sector and reduced demand in certain market. See Note 7 Business Acquisitions to the Consolidated Financial Statements for discussion on our recent busines include a 40% increase in the sale of telecommunication products; a 20% increase in the sale of peripheral products; a 16% in products; a 13% increase in aftermarket services; a 12% increase in the sale of networking products; and a 12% increase in th products. Specific decreases include a 23% decrease in the sale of mobility products; a 6% decrease in the sale of automotive sale of display products; and a 1% decrease in the sale of instrumentation and medical products.

The following table sets forth, for the periods indicated, revenue by industry sector expressed as a percentage of net reven
across our industry sectors has fluctuated, and will continue to fluctuate, as a result of numerous factors, including but not lim
business from new and existing customers; fluctuations in customer demand; seasonality, especially in the consumer industry
the automotive, consumer, and instrumentation and medical products industry sectors as more vertical companies are electing
these areas.

EMS
Automotive
Computing and storage
Instrumentation and medical
Networking
Telecommunications
Other
Total EMS
Consumer
Display
Mobility
Peripherals
Total Consumer
AMS
Total

Foreign source revenue represented 79.6% of our net revenue for fiscal year 2008 and 78.8% of net revenue for fiscal year

Gross Profit. Gross profit increased to $867.8 million (6.8% of net revenue) for fiscal year 2008 from $812.0 million (6.6
2007. The percentage increase from the prior fiscal year was partially due to factors that decreased gross profit in fiscal year
resolved. The factors that contributed to decreased gross profit in fiscal year 2007 included inefficiencies in our consumer mo
margins, shifting to a more integrated model with one customer and shifting to a more vertical solution that integrated our Gr
significant customer. In addition, we have exited production of certain targeted products in the consumer sector.

Selling, General and Administrative. Selling, general and administrative expenses decreased to $491.3 million (3.8% of r
(4.0% of net revenue) for fiscal year 2007. The slight absolute dollar decrease was due to several factors including a $14.5 m
accounting expenses incurred during fiscal year 2007 related to the independent stock option review that was performed; a $1
previously recognized stock-based compensation expense as a result of a change in estimate related to performance based res
longer expected to vest; and a decrease of $4.9 million in stock-based compensation expense incurred during fiscal year 2007
tax liabilities incurred by certain option holders who have exercised Section 409A affected options as defined under Internal
These decreases were offset by an increase of $7.4 million as a result of Green Point being consolidated for a full year in fisc
$13.1 million related to the NSN acquisition; and an increase of $13.1 million stock-based compensation expense associated
stock-based awards to employees.

R&D. R&D expenses for fiscal year 2008 decreased to $33.0 million (0.3% of net revenue) from $36.4 million (0.3% of n
The decrease is attributed primarily to an increased level of customer-funded design projects, along with the repositioning of
lower-cost regions.

Amortization of Intangibles. We recorded $37.3 million of amortization of intangibles in fiscal year 2008 as compared to 2007. The increase was primarily attributable to amortization of intangible assets resulting from our acquisitions consummate certain fully amortized intangible assets. For additional information regarding purchased intangibles, see Acquisitions and B Description of Business and Summary of Significant Accounting Policies Goodwill and Other Intangible Assets , Note 6 Assets and Note 7 Business Acquisitions to the Consolidated Financial Statements.

Restructuring and Impairment Charges. As mentioned in Management s Discussion and Analysis of Financial Conditi Summary of Results, during the fourth quarter of fiscal year 2006, we initiated the 2006 Restructuring Plan.

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We have substantially completed restructuring activities and expect to incur the remaining costs over the course of fiscal year
termination costs to be incurred through fiscal year 2011.

For fiscal year 2008, the 2006 Restructuring Plan resulted in restructuring and impairment charges of $54.8 million consis
benefit costs of approximately $46.7 million, costs related to lease commitments of approximately $7.3 million, fixed asset in
$0.3 million and other restructuring costs of approximately $0.5 million.

For fiscal year 2007, the 2006 Restructuring Plan resulted in restructuring and impairment charges of $72.4 million, consi
benefit costs of approximately $31.3 million, costs related to lease commitments of approximately $2.7 million, fixed asset in
$45.6 million and other restructuring costs of approximately $1.1 million, offset by $8.3 million of proceeds received in conn

Through August 31, 2008, the 2006 Restructuring Plan has resulted in restructuring and impairment charges of $209.1 mil
costs totaling $160.2 million, of which $1.5 million was paid in the fourth fiscal quarter of 2006, $64.8 million was paid in fi
was paid in fiscal year 2008. The cash costs consist of employee severance and benefits costs of approximately $146.4 millio
commitments of approximately $20.0 million and other restructuring costs of $2.1 million. These cash costs were offset by $
received in connection with a facility closure. Non-cash costs of approximately $48.9 million primarily represent fixed asset
our restructuring activities.

Other Expense. We recorded other expense on the sale of accounts receivable under our North American securitization pr
$15.9 million for the fiscal years ending August 31, 2008 and 2007, respectively. The decrease in other expense was primaril
of receivables sold under the program during the fiscal year ended August 31, 2008. For further discussion of our accounts re
see Note 2 Accounts Receivable Securitizations to the Consolidated Financial Statements.

Interest Income. Interest income decreased to $12.0 million in fiscal year 2008 from $14.5 million in fiscal year 2007. Th
lower interest yields on operating cash, cash deposits and cash equivalents.

Interest Expense. Interest expense increased to $94.3 million in fiscal year 2008 from $86.1 million in fiscal year 2007. T
result of higher overall average debt levels due to acquisition related debt being outstanding for a full fiscal year.

Income Taxes. Income tax expense reflects an effective tax rate of 16.0% for fiscal year 2008, as compared to an effective
2007. The decrease is primarily a result of increased income in jurisdictions with lower tax rates. The tax rate is predominant
rates in the various jurisdictions in which we do business. Our international operations have historically been taxed at a lower
due to tax incentives, including tax holidays, granted to our sites in Brazil, China, Hungary, India, Malaysia and Poland that e
2017. Such tax holidays are subject to conditions with which we expect to continue to comply. See Risk Factors We are s
and Note 4 Income Taxes to the Consolidated Financial Statements for further discussion.

Quarterly Results (Unaudited)

The following table sets forth certain unaudited quarterly financial information for the 2009 and 2008 fiscal years. In the c
information has been presented on the same basis as the audited consolidated financial statements appearing elsewhere, and a
(consisting of normal recurring accruals) have been included in the amounts stated below to present fairly the unaudited quar
conjunction with the audited consolidated financial statements and related notes thereto. The operating results for any quarter
results for any future period.

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	Fiscal Year 2009					Fiscal Y
	Aug. 31, 2009	May 31, 2009	Feb. 28, 2009	Nov. 30, 2008	Aug. 31, 2008	May 31, 2008
	(in thousands, except per share data)					
Net revenue	$ 2,799,528	$ 2,615,101	$ 2,887,400	$ 3,382,509	$ 3,264,874	$ 3,088,269
Cost of revenue	2,608,561	2,466,512	2,731,854	3,158,796	3,034,874	2,878,087
Gross profit	190,967	148,589	155,546	223,713	230,000	210,182
Selling, general and administrative	127,807	125,419	111,053	131,662	123,707	126,557
Research and development	8,714	7,198	5,754	5,655	8,603	8,006
Amortization of intangibles	7,719	7,612	7,673	8,035	9,653	9,058
Restructuring and impairment charges	3,582	16,167	31,524	621	262	3,470
Goodwill impairment charges			705,121	317,700		
Operating (loss) income	43,145	(7,807)	(705,579)	(239,960)	87,775	63,091
Other expense	15,942	948	857	2,364	2,087	2,010
Interest income	(2,112)	(1,087)	(1,920)	(2,307)	(2,759)	(3,051)
Interest expense	19,393	19,043	20,077	23,734	23,807	21,213
(Loss) income before income taxes and minority interest	9,922	(26,711)	(724,593)	(263,751)	64,640	42,919
Income tax (benefit) expense	3,989	2,528	142,018	12,363	7,729	4,657
Minority interest, net of tax	426	(477)	(511)	(257)	(580)	(183)
Net (loss) income	$ 5,507	$ (28,762)	$ (866,100)	$ (275,857)	$ 57,491	$ 38,445
(Loss) earnings per share:						
Basic	$ 0.03	$ (0.14)	$ (4.19)	$ (1.34)	$ 0.28	$ 0.19
Diluted	$ 0.03	$ (0.14)(1)	$ (4.19)(1)	$ (1.34)(1)	$ 0.28	$ 0.19
Common shares used in the calculations of (loss)/earnings per share:						
Basic	207,696	207,190	206,711	206,411	205,889	205,463

Diluted	208,846	207,190	206,711	206,411	206,804	206,077

(1) For the three months ended May 31, 2009, February 28, 2009, November 30, 2008 and February 29, 2008 all outstanding stock options, stock appreciation rights and restricted stock awards are not included in the computation of diluted earnings per share because the Company was in a loss position.

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The following table sets forth, for the periods indicated, certain financial information stated as a percentage of net revenue

	Fiscal Year 2009					Fiscal
	Aug. 31, 2009	May 31, 2009	Feb. 28, 2009	Nov. 30, 2008	Aug. 31, 2008	May 31, 2008
Net revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenue	93.2	94.3	94.6	93.4	93.0	93.2
Gross profit	6.8	5.7	5.4	6.6	7.0	6.8
Selling, general and administrative	4.6	4.8	3.8	3.9	3.8	4.1
Research and development	0.3	0.3	0.2	0.2	0.3	0.3
Amortization of intangibles	0.3	0.3	0.3	0.2	0.3	0.3
Restructuring and impairment charges	0.1	0.6	1.1	0.0	0.0	0.1
Goodwill impairment charges	0.0	0.0	24.4	9.4	0.0	0.0
Operating income	1.5	(0.3)	(24.4)	(7.1)	2.6	2.0
Other expense	0.6	0.0	0.0	0.1	0.1	0.1
Interest income	(0.1)	0.0	(0.0)	(0.1)	(0.1)	(0.1)
Interest expense	0.7	0.7	0.7	0.7	0.7	0.7
Income (loss) before income taxes and minority interest	0.3	(1.0)	(25.1)	(7.8)	1.9	1.3
Income tax (benefit) expense	0.1	0.1	4.9	0.4	0.1	0.1
Minority interest, net of tax	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	0.2%	(1.1)%	(30.0)%	(8.2)%	1.8%	1.2%

Acquisitions and Expansion

We have made a number of acquisitions that were accounted for using the purchase method of accounting. Our consolidat the operating results of each business from the date of acquisition. See Risk Factors We may not achieve expected profita further discussion of our recent and planned acquisitions, see Note 7 Business Acquisitions to the Consolidated Financia

Liquidity and Capital Resources

At August 31, 2009, we had cash and cash equivalent balances totaling $876.3 million, total notes payable, long-term debt $1.2 billion and $1.0 billion available for borrowing under our revolving credit facilities and amounts available under our acc programs.

The following table sets forth, for the fiscal year ended August 31 selected consolidated cash flow information (in thousan

	Fiscal Yea	
	2009	
Net cash provided by operating activities	$ 557,309	$
Net cash used in investing activities	(286,175)	

Net cash (used in) provided by financing activities	(195,913)	
Effect of exchange rate changes on cash	28,128	
Net increase (decrease) in cash and cash equivalents	$ 103,349	$

Net cash provided by operating activities for the fiscal year ended August 31, 2009 was approximately $557.3 million. Th
$1.0 billion non-cash goodwill impairment charge, $292.0 million in non-cash depreciation and amortization expense, a $51.
impairment charge, a decrease of $169.7 million in trade accounts receivable, a $283.8

million decrease in inventories, a change in deferred income taxes of $102.4 million principally related to valuation allowanc deferred tax assets and certain other items of net cash provided by operating activities offset by a $1.2 billion net loss and a d accrued expenses of $292.7 million. The decrease in accounts payable and accrued expenses was primarily driven by the timi payments and the reduction in sales levels during fiscal year 2009. The decrease in accounts receivable was predominately at levels and focused efforts to improve cash collections that was partially offset by reduced utilization of our securitization pro inventories was primarily due to focused efforts during fiscal year 2009 to reduce inventory levels to better align with current

Net cash used in investing activities for the fiscal year ended August 31, 2009 was $286.2 million. This consisted primaril $292.2 million for investments in capacity to support the ongoing production of new programs within the mobility sector and infrastructure and $4.2 million for cash payments related to recent business acquisitions. These expenditures were offset by $ the sale of property and equipment.

Net cash used in financing activities for the fiscal year ended August 31, 2009 was $195.9 million. This resulted from our $4.3 billion of proceeds from borrowings under existing debt agreements, which primarily included an aggregate of $3.6 billi revolving portion of the Credit Facility, $239.3 million of borrowings under our short-term Indian working capital facilities a under the issuance of the 7.750% Senior Notes in the fourth quarter of fiscal year 2009. This was offset by repayments in an a during fiscal year 2009, which primarily included $3.6 billion toward repayment of borrowings under the revolving portion o $274.4 million toward repayment of borrowings under our short-term Indian working capital facilities and $294.9 million tow our 5.875% Senior Notes. We paid $59.6 million of dividends to stockholders during fiscal year 2009. We incurred $9.3 mill the extinguishment of our 5.875% Senior Notes and incurred $7.1 million in bond issuance costs related to the 7.750% Senio fourth quarter of fiscal year 2009.

We may need to finance day-to-day working capital needs, as well as future growth and any corresponding working capita borrowings under our revolving credit facilities described below, as well as additional public and private offerings of our deb a shelf registration statement with the SEC registering the potential sale of an indeterminate amount of debt and equity securi time, to augment our liquidity and capital resources.

During the second quarter of fiscal year 2004, we entered into an asset-backed securitization program with a bank, which proceeds at any one time of an amount up to $100.0 million on the sale of eligible trade accounts receivable of certain domes fiscal year 2004, several amendments have increased the net cash proceeds available at any one time under the securitization $250.0 million and extended the program until March 17, 2010. Under this agreement, we continuously sell a designated poo a wholly-owned subsidiary, which in turn sells an ownership interest in the receivables to a conduit, administered by an unaf wholly-owned subsidiary is a separate bankruptcy-remote entity and its assets would be available first to satisfy the claims of sold are collected, we are able to sell additional receivables up to the maximum permitted amount under the program. The se compliance with several financial covenants including an interest coverage ratio and debt to EBITDA ratio, as defined in the each pool of eligible receivables sold to the conduit, we retain a percentage interest in the face value of the receivables, which of the agreement. Net receivables sold under this program are excluded from trade accounts receivable on the Consolidated B as cash provided by operating activities on the Consolidated Statement of Cash Flows. We continue to service, administer an under this program. We pay a fee on the unused portion of the facility ranging between 0.875% and 0.925% per annum based aggregate capital during the period. Further, we pay a usage fee on the utilized portion of the facility equal to 1.75% per annu outstanding aggregate capital during the immediately preceding calendar month. The securitization conduit and the investors to our assets for failure of debtors to pay when due. At August 31, 2009, we had sold $331.2 million of eligible trade account the face amount of total outstanding receivables at that date. In exchange, we received cash proceeds of $108.9 million and re receivables of approximately $222.3 million. In connection with the securitization program, we recognized pretax losses on t approximately $5.3 million, $11.9 million, and $15.9 million during fiscal the years ended August 31, 2009, 2008, and 2007, as other expense on the Consolidated Statement of Operations.

During the first quarter of fiscal year 2005, we entered into an agreement with an unrelated third-party for the factoring of receivable of a foreign subsidiary. Under the terms of the factoring agreement, we transfer ownership of eligible trade accoun the third-party purchaser in exchange for cash. Proceeds on the transfer reflect the face value of the account less a discount. T on the Consolidated Statement of Operations in the period of the sale. In April 2009, the factoring agreement was extended fo receivables sold pursuant to this factoring agreement are excluded from trade accounts receivable on the Consolidated Balanc cash provided by operating activities on the Consolidated Statement of Cash Flows. We continue to service, administer and c this program. The third-party purchaser has no recourse to our assets for failure of debtors to pay when due. At

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August 31, 2009, we had sold $18.1 million of trade accounts receivable, which represents the face amount of total outstandi
exchange, we received cash proceeds of $18.0 million. The resulting loss on trade accounts receivable sold under this factori
$0.2 million and $0.2 million for fiscal years 2009, 2008 and 2007, respectively.

Notes payable, long-term debt and long-term lease obligations outstanding at August 31, 2009 and 2008 are summarized b

	A
5.875% Senior Notes due 2010 (a)	$
7.750% Senior Notes due 2016 (b)	
8.250% Senior Notes due 2018 (c)	
Short-term factoring debt (d)	
Borrowings under credit facilities (e)	
Borrowings under loans (f)	
Securitization program obligations (g)	
Miscellaneous borrowings	
Total notes payable, long-term debt and long-term lease obligations	$
Less current installments of notes payable, long-term debt and long-term lease obligations	
Notes payable, long-term debt and long-term lease obligations, less current installments	$

(a) During the fourth quarter of fiscal year 2003, we issued a total of $300.0 million, seven-year, publicly-registered 5.8
Senior Notes) at 99.803% of par, resulting in net proceeds of approximately $297.2 million. The 5.875% Senior N
pay interest semiannually on January 15 and July 15. We are subject to covenants such as: limitation upon our cons
limitation upon our liens; limitation upon our sales and leasebacks; limitation upon our subsidiaries funded debt; l
our subsidiaries for our indebtedness; our corporate existence; reports; and compliance and notice requirements. Du
year 2009, we repurchased $294.9 million in aggregate principal amount of the 5.875% Senior Notes, pursuant to a
which we also paid an early tender premium, accrued interest and associated fees and expenses. The extinguishmen
that were validly tendered resulted in a charge of $10.5 million which was recorded to other expense in the Consoli
for the twelve months ended August 31, 2009.

(b) During the fourth quarter of fiscal year 2009, we completed our offering of $312.0 million in aggregate principal an
7.750% senior unsecured notes (the 7.750% Senior Notes). The net proceeds from the offering were $300.0 milli
mature on July 15, 2016. Interest on the 7.750% Senior Notes is payable on January 15 and July 15 of each year, be
The 7.750% Senior Notes are our senior unsecured obligations and rank equally with all other existing and future se
We are subject to such covenants as limitations on our and/or our subsidiaries ability to: create certain liens; enter
transactions; create, incur, issue, assume or guarantee funded debt (which only applies to our restricted subsidiarie
indebtedness (which only applies to our subsidiaries); and consolidate or merge with, or convey, transfer or lease al
another person. We are also subject to a covenant regarding our repurchase of the 7.750% Senior Notes upon a ch

(c) During the second and third quarters of fiscal year 2008, we completed our offerings of $250.0 million and $150.0 r
aggregate principal amount of 8.250% senior unsecured unregistered notes due March 15, 2018, resulting in net pro
$245.7 million and $148.5 million, respectively. On July 18, 2008, we completed an exchange whereby all of the ou
Notes were exchanged for registered 8.250% Notes (collectively the 8.250% Senior Notes) that are substantially
except that the 8.25% Senior Notes are registered under the Securities Act and do not have any transfer restrictions,
additional special interest.

The 8.250% Senior Notes will mature on March 15, 2018. Interest on the 8.250% Senior Notes is payable on March
year, beginning on September 15, 2008. The interest rate payable on the 8.250% Senior Notes is subject to adjustme
ratings assigned to the 8.250% Senior Notes increase or decrease, as provided in the 8.250% Senior Notes. The 8.25
unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations.

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We are subject to certain covenants limiting our ability and/or our subsidiaries ability to: create certain liens; enter transactions; create, incur, issue, assume or guarantee any funded debt (which only applies to our restricted subsid indebtedness (which only applies to our subsidiaries); and consolidate or merge with, or convey, transfer or lease al to, another person. We are also subject to a covenant regarding our repurchase of the 8.250% Senior Notes upon a event.

During the fourth quarter of fiscal year 2007, we entered into forward interest rate swap transactions to hedge the fi anticipated debt issuance. The swaps were accounted for as a cash flow hedge under SFAS 133. The notional amou $400.0 million. Concurrently with the pricing of the first $250.0 million of the 8.250% Senior Notes, we settled $25 payment of $27.5 million. We also settled the remaining $150.0 million of swaps during the second quarter of fiscal $15.6 million. As a result, we settled the amount recognized as a current liability on our Consolidated Balance Shee in interest expense (as ineffectiveness) in the Consolidated Statement of Operations during the three months ended remainder recorded in accumulated other comprehensive income, net of taxes, in our Consolidated Balance Sheets. remaining $150.0 million of 8.250% Senior Notes and recorded no additional interest expense (as ineffectiveness) i Operations. The effective portion of the swaps remaining on our Consolidated Balance Sheets will be amortized to i Consolidated Statement of Operations over the life of the 8.250% Senior Notes.

(d) During the fourth quarter of fiscal year 2007 and the fourth quarter of fiscal year 2009, we entered into separate agr party for the factoring of specific trade accounts receivable of a foreign subsidiary. The factoring of trade accounts agreements does not meet the criteria for recognition as a sale in accordance with SFAS 140. Under the terms of the ownership of eligible trade accounts receivable to the third party purchaser in exchange for cash, however, as these sale, the relating trade accounts receivable are included in our Consolidated Balance Sheets until the cash is receive customer for the trade accounts receivable. We had an outstanding liability of $1.5 million and $0.6 million on our August 31, 2009 and 2008, respectively related to these agreements.

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(e) Various of our foreign subsidiaries have entered into several credit facilities to finance their future growth and any c
needs. These credit facilities are denominated in various foreign currencies, including Indian rupees, as well as U.S.
only one such facility was outstanding in the amount of $21.3 million, which incurs interest at a variable rate of 3.9

(f) During the third quarter of fiscal year 2005, we negotiated a five-year, 400.0 million Indian rupee construction loan
Indian branch of a global bank. Under the terms of the loan, we pay interest on outstanding borrowings based on a f
construction loan expires on April 15, 2010 and all outstanding borrowings are then due and payable. The 400.0 mil
outstanding is equivalent to approximately $8.2 million based on currency exchange rates at August 31, 2009.

During the third quarter of fiscal year 2005, we negotiated a five-year, 25.0 million Euro construction loan for a Hu
Hungarian branch of a global bank. Under the terms of the loan facility, we pay interest on outstanding borrowings
Offered Rate plus a spread of 0.925%. Quarterly principal repayments began in September 2006 to repay the amour
construction loan. The construction loan expires on April 13, 2010. At August 31, 2009, borrowings of 4.3 million E
$6.2 million based on currency exchange rates at August 31, 2009) were outstanding under the construction loan.

During the second quarter of fiscal year 2007, we entered into a three-year loan agreement to borrow $20.3 million
connection with various software licenses that we purchased from them. The software licenses were capitalized and
three-year period. The loan agreement is non-interest bearing and payments are due quarterly through October 2009
$1.7 million is outstanding under this loan agreement.

Through the acquisition of a Taiwanese subsidiary in fiscal year 2007, we assumed certain liabilities, including shor
totaling approximately $102.2 million at the date of acquisition. At August 31, 2009, approximately $5.8 million of
short-term mortgage and credit facilities, with current interest rates ranging from 2.1% to 2.4%. At August 31, 2009
fixed assets, including buildings and land, were pledged as collateral on the mortgage facility outstanding. At Augu
$0.1 million of long term debt is outstanding and is classified as long term on the Consolidated Balance Sheets. The
represents a credit facility outstanding and denominated in New Taiwan dollars which will mature in fiscal year 201
that fluctuates based upon changes in various base rate interest rates.

During the fourth quarter of fiscal year 2007, we entered into the five-year Credit Facility. This agreement provides
the initial amount of $800.0 million, subject to potential increases up to $1.0 billion, and provides for a term portion
$400.0 million. Some or all of the lenders under the Credit Facility and their affiliates have various other relationshi
involving the provision of financial services, including cash management, loans, letter of credit and bank guarantee
and trust services. We, along with some of our subsidiaries, have entered into foreign exchange contracts and other
certain of the lenders and their affiliates. In addition, many, if not most, of the agents and lenders under the Credit F
and/or lender under our old revolving credit facility and the Bridge Facility. The revolving credit portion of the Cre
2012, and the term loan portion of the Credit Facility requires payments of principal in annual installments of $20.0
payment of the remaining principal due on July 19, 2012. Interest and fees on Credit Facility advances are based on
indebtedness rating as determined by S&P and Moody s. Interest is charged at a rate equal to either 0% to 0.75% a
1.75% above the Eurocurrency rate, where the base rate represents the greater of Citibank, N.A. s prime rate or 0.5
and the Eurocurrency rate represents the applicable London Interbank Offered Rate, each as more fully defined in th
include a facility fee based on the revolving credit commitments of the lenders, a letter of credit fee based on the am
credit, and a utilization fee to be added to the revolving credit interest rate and any letter of credit fee during any pe
of outstanding advances and letters of credit exceeds 50% of the total revolving credit commitments of the lenders.
unsecured long-term indebtedness rating as determined by S&P and Moody s, the current rate of interest (including
utilization fee) on a full draw under the revolving credit would be 0.275% above the base rate or 0.875% above the
current rate of interest on the term portion would be the base rate or 0.875% above the Eurocurrency rate. We, alon
subject to the following financial covenants: (1) a maximum ratio of (a) Debt (as defined in the credit agreement) to
defined in the credit agreement) and (2) a minimum ratio of (a) Consolidated EBITDA to (b) interest payable on, an
in respect of, debt and loss on sales of trade accounts receivables pursuant to our securitization program. In addition
covenants, such as: limitation upon liens; limitation upon mergers, etc; limitation upon accounting changes; limitati

limitation upon sales, etc of assets; limitation upon changes in nature of business; payment restrictions affecting sub
etc; payment of taxes, etc; maintenance of insurance; preservation of corporate existence, etc; visitation rights; keep
properties, etc; transactions with affiliates; and reporting requirements (collectively referred to herein as Restrictiv
fiscal year 2009, we borrowed $3.6 billion against the revolving credit portion of the Credit Facility. These borrowi
fiscal year. A draw in the amount of $400.0 million has been made under the term portion of the Credit Facility and
outstanding at August 31, 2009

In addition to the loans described above, at August 31, 2009, we have additional loans outstanding to fund working
loans total approximately $2.5 million and are denominated in Euros. The loans are due and payable within 12 mon
term on the Consolidated Balance Sheets.

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(g) On April 7, 2008, we entered into a foreign asset-backed securitization program with a bank conduit. In connection v
program certain of our foreign subsidiaries sell, on an ongoing basis, an undivided interest in designated pools of trade a
purpose entity, which in turn borrows up to $200.0 million from the bank conduit to purchase those receivables and in w
as collateral for the borrowings. The securitization program is accounted for as a borrowing under SFAS 140. The loan b
terms of the securitization program agreements. The foreign securitization program requires compliance with several co
certain corporate actions such as mergers, consolidations and sale of substantially all assets. We pay interest at designate
spread. The foreign securitization program expires on March 18, 2010. At August 31, 2009, we had $125.3 million of de
program. In addition, we incurred interest expense of $3.9 million and $2.8 million in our Consolidated Statement of Op
months ended August 31, 2009 and 2008, respectively.

At August 31, 2009, our principal sources of liquidity consisted of cash, available borrowings under our credit facilities ar
programs.

At August 31, 2009 and 2008, we were in compliance with all Restrictive Financial Covenants under the Credit Facility ar

Our working capital requirements and capital expenditures could continue to increase in order to support future expansion
construction of greenfield operations or acquisitions. It is possible that future expansions may be significant and may require
liquidity needs will also depend on fluctuations in levels of inventory and shipments, changes in customer order volumes and
equipment.

We currently anticipate that during the next twelve months, our capital expenditures will be in the range of $175.0 million
for maintenance levels of machinery and equipment, machinery and equipment for new business and for information technol
believe that our level of resources, which include cash on hand, available borrowings under our revolving credit facilities, ad
our accounts receivable securitization program and funds provided by operations, will be adequate to fund these capital expe
declared quarterly dividends, payments for current and future restructuring activities, and our working capital requirements f
$250.0 million U.S. asset-backed securitization program and our $200.0 million foreign asset-backed securitization program
and we may be unable to renew one or both of them.

Should we desire to consummate significant additional acquisition opportunities or undertake significant additional expan
would increase and could possibly result in our need to increase available borrowings under our revolving credit facilities or
equity markets. There can be no assurance, however, that we would be successful in raising additional debt or equity on term
acceptable.

Our contractual obligations for short and long-term debt arrangements, future interest on notes payable and long-term deb
payments under non-cancelable operating lease arrangements estimated future benefit plan payments and capital commitmen
summarized below. We do not participate in, or secure financing for, any unconsolidated limited purpose entities. We genera
non-cancelable purchase orders for materials until we receive a corresponding purchase commitment from our customer. Nor
not typically extend beyond the normal lead time of several weeks at most. Purchase orders beyond this time frame are typica

	Payments due by period (in thou		
	Total	**Less than 1 year**	**1-3 years**
Contractual Obligations			
Notes payable, long-term debt and long-term lease obligations	$ 1,234,448	$ 197,575	$ 340,051
Future interest on notes payable and long-term debt	465,675	61,946	123,881
Operating lease obligations	187,343	51,466	65,972
Estimated future benefit payments to plan	57,066	4,679	9,556
Total contractual cash obligations	$ 1,944,532	$ 315,666	$ 539,460

(a) During the first fiscal quarter of 2009, the Company

committed $10.0 million to an independent private equity limited partnership which invests in companies that address resource limits in energy, water and materials (commonly referred to as the CleanTech sector). Of that amount, the Company has invested $2.0 million at August 31, 2009. The remaining commitment of $8.0 million is callable over the next five years by the general partner. As the timing of capital calls have no specified dates, this commitment has been excluded from the above table as we cannot currently determine when such commitment calls will occur.

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(b) At August 31, 2009, we have $4.3 million recorded as a current liability for uncertain tax positions under FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes an Interpretation of FASB Statement No. 109* (FIN 48). We are not able to reasonably estimate the timing of long-term payments, or the amount by which our liability will increase or decrease over time; therefore, the long-term portion of our FIN 48 liability of $78.3 million has not been included in the contractual obligations table.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Exchange Risks

We transact business in various foreign countries and are, therefore, subject to risk of foreign currency exchange rate fluct contracts to economically hedge transactional exposure associated with commitments arising from trade accounts receivable, purchase obligations denominated in a currency other than the functional currency of the respective operating entity. All deri on the Consolidated Balance Sheets at their respective fair market values in accordance with SFAS 133. Except for certain fo notional amount outstanding at August 31, 2009 of $29.3 million and a fair value of $1.0 million, which are recorded in prepa August 31, 2009, we have elected not to prepare and maintain the documentation required for the transactions to qualify as ac changes in fair value are recorded in the Consolidated Statement of Operations.

The aggregate notional amount of outstanding contracts at August 31, 2009 that do not qualify as accounting hedges was S
these contracts amounted to a $9.9 million asset recorded in prepaid and other current assets and a $5.5 million liability recor
Consolidated Balance Sheets. The forward contracts will generally expire in less than four months, with five months being th
outstanding at August 31, 2009. Upon expiration of the contracts, the change in fair value will be reflected in cost of revenue
of Operations. The forward contracts are denominated in British pounds, Chinese yuan renminbi, Euros, Hungarian forints, I
Malaysian ringgits, Mexican pesos, Polish Zloty, Singapore dollars, Taiwanese dollars and U.S. dollars.

Interest Rate Risk

A portion of our exposure to market risk for changes in interest rates relates to our domestic investment portfolio. We do r
instruments in our investment portfolio. We place cash and cash equivalents with various major financial institutions. We pro
by limiting default risk, market risk and reinvestment risk. We mitigate these risks by generally investing in investment grade
positioning the portfolio to try to respond appropriately to a reduction in credit rating of any investment issuer, guarantor or d
credit ratings dictated by our investment policy. The portfolio typically includes only marketable securities with active secon
portfolio liquidity. At August 31, 2009, there were no significant outstanding investments.

We pay interest on several of our outstanding borrowings at interest rates that fluctuate based upon changes in various bas
$512.8 million in borrowings outstanding under these facilities at August 31, 2009. See Management s Discussion and Ana
Results of Operations Liquidity and Capital Resources and Note 8 Notes Payable, Long-Term Debt and Long-Term L
Financial Statements for additional information regarding our outstanding debt obligations.

In the second quarter of fiscal year 2009, we entered into an interest rate swap related to $100.0 million of our variable rat
for as a cash flow hedge under SFAS 133. The interest rate swap transaction effectively locks in a fixed interest rate for varia
are expected to be made from January 28, 2009 through January 28, 2010. Under the terms of the swap, we will pay a fixed r
rate based on the one month USD LIBOR rate plus a credit spread.

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Item 8. Financial Statements and Supplementary Data

Certain information required by this item is included in Item 7 of Part II of this Report under the heading Quarterly Resu
item by reference. All other information required by this item is included in Item 15 of Part IV of this Report and is incorpora

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

There have been no changes in or disagreements with our accountants on accounting and financial disclosure.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We carried out an evaluation required by Rules 13a-15 and 15d-15 under the Exchange Act (the Evaluation), under the
participation of our President and Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectivene
procedures as defined in Rules 13a-15 and 15d-15 under the Exchange Act (Disclosure Controls) as of August 31, 2009. B
and CFO concluded that the design and operation of our Disclosure Controls were effective to ensure that information require
reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time per
forms, and (ii) accumulated and communicated to our senior management, including our CEO and CFO, to allow timely deci
disclosure.

(b) Management s Report on Internal Control over Financial Reporting

We assessed the effectiveness of our internal control over financial reporting as of August 31, 2009. Management s repor
reporting as of August 31, 2009 is incorporated herein at Item 15.

(c) Changes in Internal Control over Financial Reporting

For our fiscal quarter ended August 31, 2009, we did not identify any modifications to our internal control over financial r
affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Our internal control over financial reporting, including our internal control documentation and testing efforts, remain ongo
compliance with the Exchange Act. For our fiscal quarter ended August 31, 2009, we identified certain internal controls that
modified to improve them. These improvements include further formalization of policies and procedures, improved segregati
information technology system controls and additional monitoring controls. We are making improvements to our internal con
result of our review efforts. We have reached our conclusions set forth above, notwithstanding those improvements and modi

(d) Limitations on the Effectiveness of Controls and other matters

Our management, including our CEO and CFO, does not expect that our Disclosure Controls and internal control over fina
error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute,
the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and
considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can prov
control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the r
decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls may
individual acts of some persons, by collusion of two or more people, or by management override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, a
that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may becom
in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitation
system, misstatements due to error or fraud may occur and not be detected.

Notwithstanding the foregoing limitations on the effectiveness of controls, we have nonetheless reached the conclusions se
controls and procedures and our internal control over financial reporting.

(e) CEO and CFO Certifications

Exhibits 31.1 and 31.2 are the Certifications of the CEO and the CFO, respectively. The Certifications are required in acco
Sarbanes-Oxley Act of 2002 (the Section 302 Certifications). This Item of this report, which you

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are currently reading is the information concerning the Evaluation referred to in the Section 302 Certifications and this inforn
conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

Item 9B. Other Information

None.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors, Audit Committee and Audit Committee Financial Expert

Information regarding our directors, audit committee and audit committee financial expert is incorporated by reference to the captions Proposal No. 1: Election of Directors and Corporate Governance and Board of Directors Matters in our Pro Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended August 31, 2009.

Executive Officers

Information regarding our executive officers is included in Item 1 of Part I of this Report under the heading Executive O incorporated into this item by reference.

Section 16(a) Beneficial Ownership Reporting Compliance

Information regarding compliance with Section 16 (a) of the Exchange Act is hereby incorporated herein by reference fro Information Section 16(a) Beneficial Ownership Reporting Compliance in the Proxy Statement for the 2009 Annual Mee the SEC within 120 days after the end of our fiscal year ended August 31, 2009.

Codes of Ethics

We have adopted a senior code of ethics that applies to our principal executive officer, principal financial officer, principa and other persons performing similar functions. We have also adopted a general code of business conduct and ethics that app officers and employees. These codes are both posted on our website, which is located at *http://www.jabil.com*. Stockholders of such items in print form from:

Jabil Circuit, Inc.
Attention: Investor Relations
10560 Dr. Martin Luther King, Jr. Street North
St. Petersburg, Florida 33716
Telephone: (727) 577-9749

We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to, or waiver from ethics by posting such information on our website, at the address specified above. Similarly, we expect to disclose to stockho business conduct and ethics for executive officers or directors by posting such information on our website, at the address spe contained in our website, whether currently posted or posted in the future, is not part of this document or the documents inco document.

Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines, which are available on our website at *http://www.jabil.com*. Stockho Corporate Governance Guidelines from the address and phone number set forth above under Codes of Ethics.

Committee Charters

The charters for our Audit Committee, Compensation Committee and Nomination and Corporate Governance Committee *http://www.jabil.com*. Stockholders may request a copy of each of these charters from the address and phone number set fort

Item 11. Executive Compensation

Information regarding executive compensation is incorporated by reference to the information set forth under the caption Statement for the 2009 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal y

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information regarding security ownership of certain beneficial owners and management is incorporated by reference to th caption Other Information Share Ownership by Principal Stockholders and Management in our Proxy Statement for the Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended August 31, 2009.

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The following table sets forth certain information relating to our equity compensation plans as of August 31, 2009.

Equity Compensation Plan Information

Equity compensation plans approved by security holders:	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted exerc price outstan optio warra and ri**
1992 Stock Option Plan	2,934,886	$
2002 Stock Option Plan	11,877,592	$
2002 CSOP Plan	86,426	$
2002 FSOP Plan	122,770	$
2002 Employee Stock Purchase Plan	NA	
Restricted Stock Awards	10,201,552	
Total	25,223,226	

See Note 12 Stockholders Equity to the Consolidated Financial Statements.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information regarding certain relationships and related transactions is incorporated by reference to the information set fort Transactions in our Proxy Statement for the 2009 Annual Meeting of Stockholders to be filed with the SEC within 120 days ended August 31, 2009.

Item 14. Principal Accounting Fees and Services

Information regarding principal accounting fees and services is incorporated by reference to the information set forth unde Appointment of Independent Registered Public Accounting Firm Principal Accounting Fees and Services and Policy c Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm in our Proxy Statement for th Stockholders to be filed with SEC within 120 days after the end of our fiscal year ended August 31, 2009.

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PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this Report:

1. *Financial Statements.* Our consolidated financial statements, and related notes thereto, with the independent registe reports thereon are included in Part IV of this report on the pages indicated by the Index to Consolidated Financial S presented on page 60 of this report.

2. *Financial Statement Schedule.* Our financial statement schedule is included in Part IV of this report on the page ind Consolidated Financial Statements and Schedule as presented on page 60 of this report. This financial statement sch conjunction with our consolidated financial statements, and related notes thereto.

   Schedules not listed in the Index to Consolidated Financial Statements and Schedule have been omitted because the required, or the information required to be set forth therein is included in the consolidated financial statements or no

3. *Exhibits.* See Item 15(b) below.

(b) *Exhibits*. The exhibits listed on the Exhibits Index are filed as part of, or incorporated by reference into, this Report.

(c) *Financial Statement Schedules.* See Item 15(a) above.

JABIL CIRCUIT, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE

Management s Report on Internal Control over Financial Reporting
Report of Independent Registered Public Accounting Firm
Report of Independent Registered Public Accounting Firm

Consolidated Financial Statements:
Consolidated Balance Sheets August 31, 2009 and 2008
Consolidated Statements of Operations Years ended August 31, 2009, 2008, and 2007
Consolidated Statements of Comprehensive (Loss) Income Years ended August 31, 2009, 2008, and 2007
Consolidated Statements of Stockholders Equity Years ended August 31, 2009, 2008, and 2007
Consolidated Statements of Cash Flows Years ended August 31, 2009, 2008, and 2007
Notes to Consolidated Financial Statements

Financial Statement Schedule:
Schedule II Valuation and Qualifying Accounts

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MANAGEMENT S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPOR

Management of Jabil Circuit, Inc. (the Company) is responsible for establishing and maintaining adequate internal cont
defined in Rule13a-15(f) of the Securities Exchange Act of 1934, as amended.

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

Under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, the Co
an assessment of the effectiveness of the Company s internal control over financial reporting as of August 31, 2009. Manage
framework as established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizati
Management s assessment included an evaluation of the design of the Company s internal control over financial reporting a
internal control over financial reporting.

Based on this assessment, management has concluded that, as of August 31, 2009, the Company maintained effective inte
reporting.

KPMG LLP, the Company s independent registered public accounting firm, issued an audit report on the effectiveness of
over financial reporting which follows this report.

October 22, 2009

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Jabil Circuit, Inc.:

We have audited Jabil Circuit, Inc. s internal control over financial reporting as of August 31, 2009 based on criteria esta
Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Jabil Ci
responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of in
reporting included in the accompanying Report on Internal Control over Financial Reporting. Our responsibility is to express
internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United Sta
that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial repo
material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the ris
and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit als
procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our op

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

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

In our opinion, Jabil Circuit, Inc. maintained, in all material respects, effective internal control over financial reporting as
criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United State
sheets of Jabil Circuit, Inc. and subsidiaries as of August 31, 2009 and 2008, and the related consolidated statements of opera
(loss) income, stockholders equity and cash flows for each of the years in the three-year period ended August 31, 2009, and
report dated October 22, 2009 expressed an unqualified opinion on those consolidated financial statements and the related sc

/s/ KPMG LLP
October 22, 2009
Tampa, Florida
Certified Public Accountants

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Jabil Circuit, Inc.:

We have audited the accompanying consolidated balance sheets of Jabil Circuit, Inc. and subsidiaries as of August 31, 200
consolidated statements of operations, comprehensive (loss) income, stockholders equity and cash flows for each of the yea
August 31, 2009. In connection with our audits of the consolidated financial statements, we also have audited the financial st
accompanying index. These consolidated financial statements and financial statement schedule are the responsibility of the C
responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on o

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial
subsidiaries as of August 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in th
August 31, 2009, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial
considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects,

As discussed in Note 4 to the consolidated financial statements, effective September 1, 2007, the Company adopted the pr
Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*. As discussed in Note 9 to the consolidat
Company adopted the recognition and disclosure provisions of Statement of Financial Accounting Standard No. 158, *Employ*
Benefit Pension and Other Postretirement Plans, as of August 31, 2007.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United State
control over financial reporting as of August 31, 2009, based on criteria established in Internal Control Integrated Framewo
Sponsoring Organizations of the Treadway Commission (COSO), and our report dated October 22, 2009, expressed an unqua
effectiveness of the Company s internal control over financial reporting.

/s/ KPMG LLP
October 22, 2009
Tampa, Florida
Certified Public Accountants

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JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except for share data)

ASSETS

Current assets:
Cash and cash equivalents $
Trade accounts receivable, net of allowance for doubtful accounts of $15,510 in 2009 and $10,116 in 2008 (note 2)
Inventories (note 3)
Prepaid expenses and other current assets (note 14)
Income taxes receivable
Deferred income taxes (note 4)

Total current assets
Property, plant and equipment, net of accumulated depreciation of $1,131,765 at August 31, 2009 and $1,079,719 at August 31, 2008 (note 5)
Goodwill (notes 6 and 7)
Intangible assets, net of accumulated amortization of $98,772 at August 31, 2009 and $87,242 at August 31, 2008 (notes 6 and 7)
Deferred income taxes (note 4)
Other assets

Total assets $

LIABILITIES AND STOCKHOLDERS EQUITY
Current liabilities:
Current installments of notes payable, long-term debt and long-term lease obligations (note 8) $
Accounts payable
Accrued compensation and employee benefits
Other accrued expenses (notes 9, 10, 11 and 14)
Income taxes payable
Deferred income taxes (note 4)

Total current liabilities
Notes payable, long-term debt and long-term lease obligations less current installments (note 8)
Other liabilities (notes 9 and 10)
Income tax liability (note 4)
Deferred income taxes (note 4)

Total liabilities

Minority interest

Commitments and contingencies (note 11)
Stockholders equity (note 12):
Preferred stock, $.001 par value, authorized 10,000,000 shares; no shares issued and outstanding

Common stock, $.001 par value, authorized 500,000,000 shares; issued and outstanding 208,022,841 shares in 2009, and 206,380,171 shares in 2008
Additional paid-in capital
(Accumulated deficit) Retained earnings
Accumulated other comprehensive income
Treasury stock at cost, 8,683,917 in 2009 and 8,574,737 shares in 2008

Total stockholders equity

Total liabilities and stockholders equity $

See accompanying notes to consolidated financial statements.

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JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per share data)

	Fiscal Year	
	2009	
Net revenue (note 13)	$ 11,684,538	$ 1
Cost of revenue	10,965,723	1
Gross profit	718,815	
Operating expenses:		
Selling, general and administrative	495,941	
Research and development	27,321	
Amortization of intangibles (note 6)	31,039	
Restructuring and impairment charges (note 10)	51,894	
Goodwill impairment charges (note 6)	1,022,821	
Operating (loss) income	(910,201)	
Other expense	20,111	
Interest income	(7,426)	
Interest expense	82,247	
(Loss) income before income taxes and minority interest	(1,005,133)	
Income tax expense (note 4)	160,898	
Minority interest, net of income tax benefit of $(5), $(95) and $0, respectively	(819)	
Net (loss) income	$ (1,165,212)	$
(Loss) earnings per share (note 1):		
Basic	$ (5.63)	$
Diluted	$ (5.63)	$
Common shares used in the calculations of (loss) earnings per share:		
Basic	207,002	
Diluted	207,002	
Cash dividends declared per common share	$ 0.28	$

See accompanying notes to consolidated financial statements.

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JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(in thousands)

	Fiscal Ye
	2009
Net (loss) income	$ (1,165,212)
Other comprehensive (loss) income:	
Foreign currency translation adjustment	(104,771)
Change in fair market value of derivative instruments, net of tax	143
Change in minimum pension liability, net of tax	
Net actuarial (loss) gains, net of tax	(3,738)
Net prior service cost, net of tax	(13)
Amortization of loss on hedge arrangements, net of tax	3,950
Comprehensive (loss) income	$ (1,269,641)

As a result of adopting the recognition principles of SFAS 158 on August 31, 2007, the Company recorded a $3.2 million adj
comprehensive income, net of a $1.3 million tax benefit. In accordance with SFAS 158, this adjustment has been excluded fr
comprehensive income for fiscal year 2007. See Note 9 Postretirement Benefits for further discussion on the adoption of

See accompanying notes to consolidated financial statements.

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JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY
(in thousands, except for share data)

	Common Stock				
	Shares Outstanding	Par Value	Additional Paid-in Capital	(Accumulated Deficit)/Retained Earnings	Accumulated Other Comprehensive Income
Balance at August 31, 2006	202,931,356	$ 211	$ 1,265,382	$ 1,116,035	$ 113,104
Shares issued upon exercise of stock options	860,328	1	12,751		
Shares issued under employee stock purchase plan (note 12)	623,770		12,360		
Exchange of share-based compensation awards in connection with business combination			182		
Issuance and vesting of restricted stock awards	159,225				
Recognition of stock-based compensation (note 12)			43,287		
Tax benefit of options exercised			6,725		
Declared dividends				(57,868)	
Comprehensive income				73,236	61,062
Adjustment to initially adopt SFAS 158, net of tax					(3,206)
Balance at August 31, 2007	204,574,679	$ 212	$ 1,340,687	$ 1,131,403	$ 170,960
Shares issued upon exercise of stock options	652,300	2	5,928		
Shares issued under employee stock purchase plan (note 12)	824,498	1	10,546		
Exchange of share-based compensation awards in connection with business combination			(140)		
Issuance and vesting of restricted stock awards	484,731				
Purchases of treasury stock under employee stock plans	(156,037)				
Recognition of stock-based compensation (note 12)			36,833		
Tax benefit of options exercised			12,524		
				(58,813)	

Declared dividends (note 12)								
Comprehensive income						133,892		130,441
Adjustment to initially adopt FIN 48						3,935		
Balance at August 31, 2008	206,380,171	$	215	$ 1,406,378	$	1,210,417	$	301,401
Shares issued upon exercise of stock options (note 12)	1,160			66				
Shares issued under employee stock purchase plan (note 12)	1,248,314		1	7,353				
Exchange of share-based compensation awards in connection with business combination				28				
Issuance and vesting of restricted stock awards (note 12)	502,376		1					
Purchases of treasury stock under employee stock plans	(109,180)							
Recognition of stock-based compensation (note 12)				42,249				
Tax benefit of options exercised				(860)				
Cumulative effect of change in accounting principle (note 9)						(836)		
Declared dividends (note 12)						(58,069)		
Comprehensive (loss)						(1,165,212)		(104,429)
Balance at August 31, 2009	208,022,841	$	217	$ 1,455,214	$	(13,700)	$	196,972

See accompanying notes to consolidated financial statements.

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JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Fiscal Year	
	2009	
Cash flows from operating activities:		
Net (loss) income	$ (1,165,212)	$
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	291,997	
Recognition of deferred grant proceeds	(82)	
Amortization on loss of hedge arrangement	3,950	
Amortization of bond issuance costs and discount	1,473	
Loss on early extinguishment of debt	10,522	
Minority interest, net of tax	(819)	
Recognition of stock-based compensation	44,026	
Deferred income taxes	102,375	
Non-cash restructuring charges	51,894	
Non-cash goodwill impairment charges	1,022,821	
Provision (recovery) of allowance for doubtful accounts and notes receivables	12,685	
Excess tax benefit (shortage) from options exercised	921	
(Gain)/loss on sale of property	(45)	
Change in operating assets and liabilities, exclusive of net assets acquired:		
Trade accounts receivable	169,741	
Inventories	283,816	
Prepaid expenses and other current assets	40,950	
Other assets	(7,604)	
Accounts payable and accrued expenses	(292,671)	
Income taxes payable	(13,429)	
Net cash provided by operating activities	557,309	
Cash flows from investing activities:		
Cash paid for business and intangible asset acquisitions, net of cash acquired	(4,176)	
Acquisition of property, plant and equipment	(292,238)	
Proceeds from sale of property, plant and equipment	10,239	
Net cash used in investing activities	(286,175)	
Cash flows from financing activities:		
Borrowings under debt agreements	4,301,474	
Payments toward debt agreements and capital lease obligations	(4,427,081)	(
Dividends paid to stockholders	(59,583)	
Financing related costs	(9,300)	
Bond issuance costs	(7,067)	
Net proceeds from issuance of common stock under option and employee purchase plans	7,420	
Treasury stock minimum tax withholding	(855)	
Excess tax benefit (shortage) of options exercised	(921)	

Net cash (used in) provided by financing activities		(195,913)	
Effect of exchange rate changes on cash		28,128	
Net increase (decrease) in cash and cash equivalents		103,349	
Cash and cash equivalents at beginning of period		772,923	
Cash and cash equivalents at end of period	$	876,272	$
Supplemental disclosure information:			
Interest paid, net of capitalized interest	$	81,641	$
Income taxes paid, net of refunds received	$	73,302	$

See accompanying notes to consolidated financial statements.

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JABIL CIRCUIT, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

1. Description of Business and Summary of Significant Accounting Policies

Jabil Circuit, Inc. (together with its subsidiaries, herein referred to as the Company) is an independent provider of elect solutions. The Company provides comprehensive electronics design, production, product management and aftermarket servic aerospace, automotive, computing, consumer, defense, industrial, instrumentation, medical, networking, peripherals, solar, st industries. The Company s services combine a highly automated, continuous flow manufacturing approach with advanced el manufacturability technologies. The Company is headquartered in St. Petersburg, Florida and has manufacturing operations i Asia.

Significant accounting policies followed by the Company are as follows:

a. Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts and operations of the Company, and its wholly-owned and maj significant inter-company balances and transactions have been eliminated in preparing the consolidated financial statements. all adjustments (consisting primarily of normal recurring accruals) necessary to present fairly the information have been inclu prior periods financial statements have been reclassified to conform to current period presentation.

b. Use of Accounting Estimates

Management is required to make estimates and assumptions during the preparation of the consolidated financial statement conformity with U.S. generally accepted accounting principles (U.S. GAAP). These estimates and assumptions affect the r liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements. They also net (loss) income. Actual results could differ materially from these estimates and assumptions.

c. Cash and Cash Equivalents

The Company considers all highly liquid instruments with original maturities of 90 days or less to be cash equivalents for purposes. Cash equivalents consist of investments in money market funds, municipal bonds and commercial paper with origi At August 31, 2009 and 2008 there were $96.6 million and $0 million of cash equivalents outstanding, respectively. Manage of cash and cash equivalents to be a reasonable approximation of market value given the short-term nature of these financial i

d. Inventories

Inventories are stated at the lower of cost (the first in, first out (FIFO) method for manufacturing operations and the averag services operations) or market.

e. Property, Plant and Equipment, net

Property, plant and equipment is capitalized at cost and depreciated using the straight-line depreciation method over the es respective assets. Estimated useful lives for major classes of depreciable assets are as follows:

Asset Class	*Estimated Useful Life*
Buildings.	35 years
Leasehold improvements	Shorter of lease term or useful life of the impr
Machinery and equipment	5 to 10 years
Furniture, fixtures and office equipment	5 years
Computer hardware and software	3 to 7 years
Transportation equipment	3 years

Certain equipment held under capital leases is classified as property, plant and equipment and the related obligation is reco obligations on the Consolidated Balance Sheets. Amortization of assets held under capital leases is included in depreciation e Statements of Operations. Maintenance and repairs are expensed as incurred. The cost and related accumulated depreciation o removed from the accounts and any resulting gain or loss is reflected in the Consolidated Statements of Operations as a comp (loss) income.

f. Goodwill and Other Intangible Assets

In accordance with Statement of Financial Accounting Standards No. 141, *Business Combinations* (SFAS 141), and SF
Intangible Assets (SFAS 142) the Company accounts for goodwill in a purchase business combination as the excess of the
assets acquired. Business combinations can also result in other intangible assets being recognized. Amortization of intangible
the estimated useful life. In accordance with SFAS 142, the Company tests goodwill for impairment at least annually or more
circumstances, using a two-step method. The Company conducts this review during the fourth quarter of each fiscal year abse
Furthermore, SFAS 142 also requires that an identifiable intangible asset that is determined to have an indefinite useful econ
separately tested for impairment at least annually, using a one-step fair value based approach or when certain indicators of im

g. Impairment of Long-lived Assets

In accordance with Statement of Financial Accounting Standards No. 144, *Accounting for Impairment or Disposal of Lon*
long-lived assets, such as property and equipment, and purchased intangibles subject to amortization, are reviewed for impair
changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the asset is
carrying amount to undiscounted future net cash flows the asset is expected to generate. If the carrying amount of an asset is
recognizes an impairment loss based on the excess of the carrying amount of the long-lived asset over its respective fair value
as the present value of estimated future cash flows or as the appraised value.

h. Revenue Recognition

The Company s net revenue is principally derived from the product sales of electronic equipment built to customer specif
derives revenue to a lesser extent from aftermarket services, design services and excess inventory sales. Revenue from produ
sales is generally recognized, net of estimated product return costs, when goods are shipped; title and risk of ownership have
fixed or determinable; and recoverability is reasonably assured. Service related revenue is recognized upon completion of the
revenue is generally recognized upon completion and acceptance by the respective customer. The Company assumes no signi
shipment. Taxes that are collected from the Company s customers and remitted to governmental authorities are presented in
Statement of Operations on a net basis.

i. Accounts Receivable

Accounts receivable consist of trade receivables, note receivables and miscellaneous receivables. The Company maintains
accounts for estimated losses resulting from the inability of its customer to make required payments. Bad debts are charged to
to collect the balance are exhausted. Allowances of $15.5 million and $10.1 million were recorded at August 31, 2009 and 20
condition and circumstances of the Company s customers change, adjustments to the allowance for doubtful accounts are ma

j. Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the fi
amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using
apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect
liabilities of a change in the tax rate is recognized in income in the period that includes the enactment date of the rate change.
valuation allowance to reduce its deferred tax assets to the amounts that is more likely than not to be realized. The Company
income and ongoing feasible tax planning strategies in assessing the need for the valuation allowance.

In June of 2006, the FASB issued FIN 48, which clarifies the accounting for uncertainty in income taxes in an enterprise
accordance with SFAS 109. FIN 48 prescribes a recognition threshold and measurement attribute for financial statement reco
tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, inte
interim periods, disclosure and transition. FIN 48 was adopted by the Company as of September 1, 2007. As a result of the ad
recognized an increase to retained earnings of $3.9 million, an increase to goodwill of $3.4 million and a net decrease to accr
September 1, 2007.

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k. (Loss) Earnings Per Share

The following table sets forth the calculation of basic and diluted (loss) earnings per share (in thousands, except per share

	Fiscal Ye
	2009
Numerator:	
Net (loss) income	$ (1,165,212)
Denominator:	
Weighted-average common shares outstanding basic	207,002
Dilutive common shares issuable upon exercise of stock options, exercise of stock appreciation rights and employee stock plan purchases	
Dilutive unvested common shares associated with restricted stock awards	
Weighted-average shares outstanding diluted	207,002
(Loss) earnings per common share:	
Basic	$ (5.63)
Diluted	$ (5.63)

In accordance with Statement of Financial Accounting Standards No. 128, *Earnings Per Share* (SFAS 128), no potenti
stock-based compensation awards have been included in the computation of diluted earnings per share as a result of the Com
year ended August 31, 2009. The Company excluded from the computation of diluted earnings per share 13,862,160 commo
consist of stock options and restricted stock awards, and 8,005,799 stock appreciation rights outstanding for the fiscal year e

For the fiscal years ended August 31, 2008 and 2007, options to purchase 7,215,482 and 3,602,098 shares of common sto
outstanding during the respective periods but were not included in the computation of diluted earnings per share because the
greater than the average market price of the common shares, and therefore, their effect would be anti-dilutive as calculated u
promulgated by SFAS 128. In accordance with the contingently issuable shares provision of SFAS 128, 2,874,372 and 1,699
performance-based, unvested common stock awards (restricted stock) granted were not included in the calculation of earn
ended August 31, 2008 and 2007, respectively, because all the necessary conditions for vesting have not been satisfied. In ad
August 31, 2008 and 2007, 7,990,732 and 5,762,028 stock appreciation rights were not included in the calculation of diluted
shares considered repurchased with assumed proceeds were greater than the shares issuable or the exercise price was greater
therefore, their effect would be anti-dilutive.

l. Foreign Currency Transactions

In accordance with Statement of Financial Accounting Standards No. 52, *Foreign Currency Translation*, for the Company
currency other than the U.S. dollar as their functional currency, the assets and liabilities are translated at exchange rates in ef
revenues and expenses are translated at the average exchange rate for the period. The effects of these translation adjustments
comprehensive income. Gains and losses arising from transactions denominated in a currency other than the functional curre
remeasurement adjustments for foreign operations where the U.S. dollar is the functional currency are included in operating i

m. Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107, *Disclosures about Fair Value of Financial Instruments*, requires di
financial instruments. On September 1, 2008, the Company adopted the provisions of Statement of Financial Accounting Sta
Measurements (SFAS 157) which applies to financial assets and liabilities that are being measured and reported on a fair-
about fair-value measurements. The adoption of SFAS 157 for financial assets and liabilities did not have a material impact o
fair-value measurement practices but requires disclosure of a fair-value hierarchy of inputs used to value an asset or a liabilit
fair-value hierarchy include: Level 1 quoted market prices in active markets for identical assets and liabilities; Level 2 in
included in level 1 above that are observable for the asset or liability, either directly or indirectly; and Level 3 unobservabl

None of the Company s financial assets or liabilities currently covered by the disclosure provisions of SFAS 157 are mea
significant unobservable inputs. The carrying amounts of cash and cash equivalents, trade accounts receivable, income taxes
accrued expenses and income taxes payable approximate fair value because of the short-

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term nature of these financial instruments. Refer to Note 8 Notes Payable, Long-Term Debt and Long-Term Lease Obliga Benefits and Note 14 Derivative Financial Instruments and Hedging Activities for disclosure surrounding the fair valu pension plan assets and derivative financial instruments, respectively.

n. Profit Sharing, 401(k) Plan and Defined Contribution Plans

The Company contributes to a profit sharing plan for all employees who have completed a 12-month period of service in v at least 1,000 hours. The Company provides retirement benefits to its domestic employees who have completed a 90-day peri plan that provides a Company matching contribution. Company contributions are at the discretion of the Company s Board c has defined contribution benefit plans for certain of its international employees primarily dictated by the custom of the region to these plans, the Company contributed approximately $20.5 million, $25.6 million, and $24.3 million for the fiscal years en 2007, respectively.

o. Stock-Based Compensation

The Company accounts for stock-based payments in accordance with Statement of Financial Accounting Standards No. 12 (SFAS 123R). In accordance with SFAS 123R, the Company recognizes compensation expense, reduced for estimated for over the requisite service period of the award, which is generally the vesting period for outstanding stock awards. The Compa $36.4 million, and $43.3 million of gross stock-based compensation expense, which is included in selling, general and admi Consolidated Statements of Operations for the fiscal years ended August 31, 2009, 2008, and 2007, respectively. The Compa the stock-based compensation expense of $0.9 million, $5.8 million, and $10.8 million which is included in income tax exp Statements of Operations for the fiscal years ended August 31, 2009, 2008 and 2007, respectively. Included in the compensat Company is $4.8 million, $4.0 million and $4.1 million related to the Company s employee stock purchase plan (ESPP) i respectively. The Company capitalizes stock-based compensation costs related to awards granted to employees whose compe attributable to the cost of inventory. At August 31, 2009 and 2008, $0.3 million and $0.3 million, respectively, of stock-based inventory costs on the Consolidated Balance Sheets.

Cash received from exercises under all share-based payment arrangements, including the Company s ESPP, for the fiscal 2008 and 2007 was $7.4 million, $16.5 million, and $25.1 million, respectively. The proceeds for the fiscal year ended Augus by $0.9 million and $2.4 million, respectively, of restricted shares withheld by the Company to satisfy the minimum amount requirements. The market value of the restricted shares withheld was determined on the date that the restricted shares vested a of 109,180 shares and 156,037 shares during the twelve months ending August 31, 2009 and 2008, respectively, of the Comp amounts have been classified as treasury stock on the Consolidated Balance Sheets. The Company currently expects to satisfy registered shares available to be issued.

As described in Note 11 Commitments and Contingencies, the Company is involved in a putative shareholder class a from the U.S. Attorney s office for the Southern District of New York in connection with certain historical stock option gran and intends to continue to cooperate with the U.S. Attorney s office. The Company cannot, however, predict the outcome of

See Note 12 Stockholders Equity for further discussion of stock-based compensation expense.

p. Comprehensive (Loss) Income

The Company has adopted Statement of Financial Accounting Standards No. 130, *Reporting Comprehensive Income,* (S standards for reporting comprehensive income. The Statement defines comprehensive income as the changes in equity of an e from stockholder transactions.

Accumulated other comprehensive (loss) income consists of the following (in thousands):

Foreign currency translation adjustment
Actuarial loss, net of tax
Prior service cost, net of tax
Cash flow hedge mark to market adjustment, net of tax
Amortization of loss on hedge arrangements, net of tax

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The actuarial loss and prior service cost recorded to accumulated other comprehensive income at August 31, 2009 are net of a
$0.3 million, respectively. The actuarial loss and prior service cost recorded to accumulated other comprehensive income at A
benefit of $4.5 million and $0.2 million, respectively. The cash flow hedge mark to market adjustment and related amortizatio
recorded to accumulated other comprehensive income during the fiscal years ended August 31, 2009 and 2008 is net of tax be
$14.8 million, respectively.

q. Derivative Instruments

The Company applies Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and* (
(SFAS 133), as amended by Statement of Financial Accounting Standards No. 138, *Accounting for Certain Derivative Ins*
Activity, an Amendment of SFAS 133 and Statement of Financial Accounting Standards No. 149, *Amendment of Statement 13*
Hedging Activities. In accordance with these standards, all derivative instruments are recorded on the balance sheets at their f
if a derivative instrument is designated as a cash flow hedge, the change in the fair value of the derivative is recorded in other
extent the derivative is effective, and recognized in the statement of operations when the hedged item affects earnings. If a de
as a fair value hedge, the change in fair value of the derivative and of the hedged item attributable to the hedged risk are reco
period. Changes in fair value of derivatives that are not designated as hedges are recorded in operations. Refer to Note 14
and Hedging Activities for further discussion surrounding the Company s derivative instruments.

r. Intellectual Property Guarantees

The Company s turnkey solutions products may compete against the products of original design manufacturers and those
many of whom may own the intellectual property rights underlying those products. As a result, the Company could become s
property infringement. Additionally, customers for the Company s turnkey solutions services typically require that the Comp
risk of intellectual property infringement. The Company has no liabilities recorded at August 31, 2009 related to intellectual p

2. Accounts Receivable Securitizations

a. North American Asset-Backed Securitization Program

In February 2004, the Company entered into an asset-backed securitization program with a bank, which originally provide
one time of an amount up to $100.0 million on the sale of eligible trade accounts receivable of certain domestic operations. S
several amendments have increased the net cash proceeds available at any one time under the securitization program up to an
sale of receivables under this securitization program is accounted for in accordance with Statement of Financial Accounting S
for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities (a replacement of FASB Statement No. 12
agreement, the Company continuously sells a designated pool of trade accounts receivable to a wholly-owned subsidiary, wh
interest in the receivables to a conduit, administered by an unaffiliated financial institution. This wholly-owned subsidiary is
entity and its assets would be available first to satisfy the creditor claims of the conduit. As the receivables sold are collected,
additional receivables up to the maximum permitted amount under the program. The securitization program requires complia
covenants including an interest coverage ratio and debt to EBITDA ratio, as defined in the securitization agreement, as amen
agreement, as amended on March 18, 2009, expires on March 17, 2010.

For each pool of eligible receivables sold to the conduit, the Company retains a percentage interest in the face value of the
based on the terms of the agreement. Net receivables sold under this program are excluded from trade accounts receivable on
and are reflected as cash provided by operating activities on the Consolidated Statement of Cash Flows. The Company is asse
of the facility ranging between 0.875% and 0.925% per annum based on the average daily unused aggregate capital during th
the utilized portion of the facility is equal to 1.75% per annum on the average daily outstanding aggregate capital during the i
month. The investors and the securitization conduit have no recourse to the Company s assets for failure of debtors to pay w

The Company continues servicing the receivables sold. No servicing asset is recorded at the time of sale because the Com
servicing fees from third parties or other income related to servicing the receivables. The Company does not record any servic
as the receivable collection period is relatively short and the costs of servicing the receivables sold over the servicing period a
costs are recognized as incurred over the servicing period.

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At August 31, 2009, the Company had sold $331.2 million of eligible trade accounts receivable, which represents the face
receivables at that date. In exchange, the Company received cash proceeds of $108.9 million and retained an interest in the re
$222.3 million. In connection with the securitization program, the Company recognized pretax losses on the sale of receivabl
$11.9 million, and $15.9 million during the fiscal years ended August 31, 2009, 2008 and 2007, respectively, which are recor
Consolidated Statement of Operations.

b. Foreign Asset-Backed Securitization Program

On April 7, 2008, the Company entered into an asset-backed securitization program with a bank conduit. In connection wi
certain of its foreign subsidiaries sell, on an ongoing basis, an undivided interest in designated pools of trade accounts receiva
which in turn borrows up to $200.0 million from the bank conduit to purchase those receivables and in which it grants securit
borrowings. The securitization program is accounted for as a borrowing under SFAS 140. The loan balance is calculated base
securitization program agreements. The securitization program requires compliance with several covenants including a limita
such as mergers, consolidations and sale of substantially all assets. The Company pays interest at designated commercial pap
securitization program was amended on March 19, 2009 to extend the expiration date to March 18, 2010.

At August 31, 2009, the Company had $125.3 million of debt outstanding under the program. In addition, the Company in
$3.9 million and $2.8 million recorded in the Company s Consolidated Statement of Operations during the twelve months en
respectively.

c. Accounts Receivable Factoring Agreements

In October 2004, the Company entered into an agreement with an unrelated third-party for the factoring of specific trade a
subsidiary. The factoring of trade accounts receivable under this agreement is accounted for as a sale in accordance with SFA
factoring agreement, the Company transfers ownership of eligible trade accounts receivable without recourse to the third-part
cash. Proceeds on the transfer reflect the face value of the account less a discount. The discount is recorded as a loss on the C
Operations in the period of the sale. In April 2009, the factoring agreement was extended for a six month period.

The receivables sold pursuant to this factoring agreement are excluded from trade accounts receivable on the Consolidated
reflected as cash provided by operating activities on the Consolidated Statement of Cash Flows. The Company continues to s
receivables sold under this program. The third-party purchaser has no recourse to the Company s assets for failure of debtors

At August 31, 2009, the Company had sold $18.1 million of trade accounts receivable, which represents the face amount o
that date. In exchange, the Company received cash proceeds of $18.0 million. The resulting loss on the sale of trade accounts
factoring agreement was $0.1 million, $0.2 million, and $0.2 million for the fiscal years ended August 31, 2009, 2008 and 20

In July 2007 and August 2009, the Company entered into separate agreements with an unrelated third party (the Purchase
trade accounts receivable of another foreign subsidiary. The factoring of trade accounts receivable under these agreements do
recognition as a sale in accordance with SFAS 140. Under the terms of these agreements, the Company transfers ownership o
receivable to the Purchaser in exchange for cash, however, as the transaction does not qualify as a sale, the relating trade acco
the Company s Consolidated Balance Sheets until the cash is received by the Purchaser from the Company s customer for th
Company had an outstanding liability of approximately $1.5 million and $0.6 million, respectively on its Consolidated Balan
2008, respectively related to these agreements.

3. Inventories

Inventories consist of the following (in thousands):

Raw materials	$
Work in process	
Finished goods	
	$

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4. Income Taxes

Income tax expense amounted to $160.9 million, $25.1 million, and $21.4 million for the fiscal years ended August 31, 20
(an effective rate of (16.0)%, 16.0%, and 22.6%, respectively). The actual expense differs from the expected tax (benefit)
U.S. federal corporate tax rate of 35% to (loss) income before income taxes and minority interest) as follows (in thousands):

	Fiscal Ye
	2009
Computed expected tax (benefit) expense	$ (351,797)
State taxes, net of federal benefit	(7,134)
Federal effect of state net operating losses and tax credits	454
Impact of foreign tax rates	71,856
Permanent impact of non-deductible cost	12,214
Income tax credits	202
Changes in tax rates on deferred tax assets and liabilities	24,123
Valuation allowance	307,938
Equity compensation	7,501
Impact of intercompany charges	11,706
Non-taxable income	(800)
Permanent impact of non-deductible goodwill	94,562
Other, net	(9,927)
Provision for income taxes	$ 160,898
Effective tax rate	(16.0)%

The domestic and foreign components of (loss) income before taxes and minority interest were comprised of the following fo
August 31 (in thousands):

	Fiscal Ye
	2009
U.S.	$ (330,043)
Foreign	(675,090)
	$ (1,005,133)

The components of income taxes for the fiscal years ended August 31, 2009, 2008 and 2007 were as follows (in thousands):

Fiscal Year Ended August 31,	Current
2009: U.S. Federal	$ (1,439)
U.S. State	453
Foreign	59,509
	$ 58,523
2008: U.S. Federal	$ 23,029
U.S. State	2,537
Foreign	66,625
	$ 92,191

2007: U.S. Federal	$ 10,552
U.S. State	2,988
Foreign	38,948
	$ 52,488

The Company has been granted tax incentives for its Brazilian, Chinese, Hungarian, Indian, Malaysian, and Polish subsidi
expire through 2020 and are subject to certain conditions with which the Company expects to comply. These subsidiaries gen
years ended August 31, 2009, 2008 and 2007, resulting in a tax benefit of

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approximately $25.7 million ($0.12 per basic share), $48.7 million ($0.24 per basic share) and $43.4 million ($0.21 per basic

The Company intends to indefinitely reinvest income from all of its foreign subsidiaries. The aggregate undistributed earn subsidiaries for which no deferred tax liability has been recorded is approximately $540.2 million as of August 31, 2009. Det unrecognized deferred tax liability on these undistributed earnings is not practicable.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax lial thousands):

Deferred tax assets:

Net operating loss carry forward

Trade accounts receivable, principally due to allowance for doubtful accounts

Grant receivable

Inventories, principally due to reserves and additional costs inventoried for tax purposes pursuant to the Tax Reform Act of 1986

Compensated absences, principally due to accrual for financial reporting purposes

Accrued expenses, principally due to accrual for financial reporting purposes

Property, plant and equipment, principally due to differences in depreciation and amortization

Foreign currency gains and losses

Foreign tax credits

Equity compensation U.S.

Equity compensation Foreign

Cash flow hedges

Intangible assets

Other

Total gross deferred tax assets

Less valuation allowance

Net deferred tax assets

Deferred tax liabilities:

Intangible assets

Foreign currency gains and losses

Other

Deferred tax liabilities

Net current deferred tax assets were $27.0 million and $41.2 million at August 31, 2009 and 2008, respectively, and the ne were $45.5 million and $146.1 million at August 31, 2009 and 2008, respectively.

The net change in the total valuation allowance for the fiscal years ended August 31, 2009 and 2008 was $312.8 million ar addition, at August 31, 2009, the Company has gross tax effected net operating loss carry forwards for federal, state and forei approximately $91.6 million, $10.9 million, and $124.8 million, respectively, which are available to reduce future taxes, if an forwards expire through the year 2029. The Company has gross state tax credits and federal foreign tax credits of $1.5 millior for state and federal carry forward, which are available to reduce future taxes, if any. The state tax credits expire through the tax credits, $2.1 million expire through 2019, and the years of expiration for the remaining $6.6 million cannot yet be determ

Based on the Company s historical operating (loss) income, projection of future taxable income, scheduled reversal of tax
tax planning strategies, management believes that it is more likely than not that the Company will realize the benefit of its ne
valuation allowances recorded.

In June 2006, the FASB issued FIN 48 which prescribes a recognition threshold and measurement attribute for the financi
measurement of tax positions taken or expected to be taken on a tax return. FIN 48 also provides guidance on derecognition,
penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after Decemb
adopted the provisions of FIN 48 on September 1, 2007. As a result of

the implementation of FIN 48, the Company recognized an increase to retained earnings of $3.9 million, an increase to goodv
decrease to accrued liabilities of $0.5 million on its Consolidated Balance Sheets.

At August 31, 2008, the Company had $75.2 million in unrecognized tax benefits, the recognition of which would have ar
effective tax rate under the current guidance. Through August 31, 2009, the Company recognized $4.4 million of additional u
total of $79.6 million in unrecognized tax benefits, the recognition of which would have an effect of $47.4 million on the effe
guidance.

A reconciliation of the beginning and ending amount of the consolidated liability for unrecognized income tax benefits du
August 31, 2009 is as follows (in thousands):

Balance at August 31, 2008
Additions for tax positions of prior years
Reductions for tax positions of prior years
Additions for tax positions related to current year
Addition for tax positions related to acquired entities in prior years, offset to goodwill and deferred tax attributes
Cash settlements
Reductions from lapses in statutes of limitations
Reductions from settlements with taxing authorities
Foreign exchange rate adjustment
Balance at August 31, 2009

Upon adoption of SFAS 141R, the recognition of the unrecognized tax benefits, which would have an effect on the effecti
increase to $56.1 million at August 31, 2008 and $66.0 million through August 31, 2009.

Included in the balance of unrecognized tax benefits at August 31, 2008 and August 31, 2009, is $7.4 million and $17.5 m
is reasonably possible that the total amounts could significantly change during the next twelve months. These amounts at Aug
2009, primarily relate to possible adjustments for transfer pricing, tax holidays, and certain inclusions in taxable income, and
$3.3 million, respectively, in possible cash payments, and $5.6 million and $14.2 million, respectively, related to the settleme
payments and the expiration of applicable statutes of limitation.

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, and various state and forei
exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax aut
August 31, 2003.

The Company records the liability for the unrecognized tax benefits as a long term income tax liability on the Consolidate
settlement is expected in the next 12 months.

The Company s continuing practice is to recognize interest and penalties related to unrecognized tax benefits in income ta
the Company s accrued interest and penalties was approximately $8.0 million and $11.2 million, respectively. Through Aug
accrued interest increased by $0.4 million and penalties decreased by $2.0 million.

5. Property, Plant and Equipment

Property, plant and equipment consists of the following (in thousands):

Land and improvements	$
Buildings	
Leasehold improvements	
Machinery and equipment	
Furniture, fixtures and office equipment	
Computer hardware and software	
Transportation equipment	

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Construction in progress

Less accumulated depreciation and amortization

$

Depreciation expense of approximately $261.0 million, $239.0 million, and $210.4 million was recorded for the fiscal yea
and 2007, respectively.

During the fiscal years ended August 31, 2009, 2008 and 2007, the Company capitalized approximately $22.0 thousand, $
respectively, in interest related to constructed facilities.

Maintenance and repair expense was approximately $70.8 million, $69.6 million, and $53.7 million for the fiscal years en
2007, respectively.

6. Goodwill and Other Intangible Assets

In accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* (SFAS
goodwill impairment analysis using the two-step method on an annual basis and whenever events or changes in circumstance
may not be recoverable. The recoverability of goodwill is measured at the reporting unit level, which the Company has deter
operating segments by comparing the reporting unit s carrying amount, including goodwill, to the fair market value of the re
consistently determines the fair market value of its reporting units based on an average weighting of both projected discounte
comparative market multiples. The use of such market multiples (the market approach) allows the Company to compare itsel
valuation multiples to arrive at a fair value. The Company regularly evaluates itself and its divisions relative to its competitor
judgments used to arrive at these comparable companies are reasonable. The use of projected discounted future results (disco
based on assumptions that are consistent with the Company s estimates of future growth and the strategic plan used to mana
also includes a probability-weighted expectation as to the Company s future cash flows. Factors requiring significant judgme
future growth rates, discount factors, and tax rates, amongst other considerations. Changes in economic and operating conditi
impairment analysis or an interim impairment analysis, and that impact these assumptions, may result in a future goodwill im

Based upon a combination of factors, including a significant and sustained decline in the Company s market capitalizatio
value, the deteriorating macro-economic environment, which resulted in a significant decline in customer demand, and the ill
markets, the Company concluded that sufficient indicators of impairment existed and accordingly performed an interim good
the first quarter and again in the second quarter of fiscal year 2009.

During the first quarter of fiscal year 2009, the Company determined that the goodwill related to the Consumer reporting u
preliminary non-cash goodwill impairment charge of approximately $317.7 million. The income tax expense associated with
impairment charge was $4.4 million. This included a tax benefit of $30.6 million for the write-off of tax deductible goodwill
resulting from the recognition of a valuation allowance against the deferred tax assets that the Company no longer believes ar
realized.

During the second quarter of fiscal year 2009, and prior to finalizing the preliminary non-cash goodwill impairment charg
2008, related to the Consumer reporting unit, the Company concluded that additional impairment indicators were present. As
Company determined that the goodwill related to the Consumer reporting unit was fully impaired and recorded an additional
charge of approximately $82.7 million. Further, the Company also determined that the goodwill related to the EMS reporting
a preliminary non-cash goodwill impairment charge of approximately $622.4 million. The income tax expense associated wit
$111.8 million for the fiscal quarter ended February 28, 2009. This included a tax benefit of $9.0 million for the write-off of t
income tax expense of $120.8 million resulting from the recognition of a valuation allowance against the deferred tax assets t
believes are more likely than not to be realized.

During the third quarter of fiscal year 2009, the Company finalized the valuation of the tangible and intangible assets and
assets and liabilities of the EMS reporting unit with no additional impairment charges recorded. After recognition of the abov
charge, no goodwill remained with either the Consumer or EMS reporting units.

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The impairment evaluation for indefinite-lived intangible assets, which for the Company is a trade name, is conducted dur
fiscal year, or more frequently if events or changes in circumstances indicate that an asset may be impaired. As a result of the
above, during the first quarter and again in the second quarter of fiscal year 2009, the Company evaluated its trade name for i
discounted estimates of future revenue projections to its carrying value and determined that there was no impairment. There v
during the third and fourth quarters of fiscal year 2009. Significant judgments inherent in this analysis included assumptions r
growth rates, discount rates and royalty rates.

The Company completed the annual impairment test for goodwill and indefinite-lived intangible assets during the fourth q
determined that no impairment existed as of the date of the impairment test.

The Company reviews long-lived assets, including its intangible assets subject to amortization, which are contractual agre
and intellectual property, for impairment whenever events or changes in circumstances indicate that the carrying amount of su
recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset group to the
flows expected to be generated by those assets. If such assets are considered to be impaired, the impairment charge recognize
carrying amounts of the assets exceeds the fair value of the assets. As a result of the impairment indicators described above, d
in the second quarter of fiscal year 2009, the Company tested its long-lived assets for impairment and determined that there w
no impairment indicators during the third or fourth quarters of fiscal year 2009.

The following table presents the changes in goodwill allocated to the Company s reportable segments during the fiscal ye
thousands):

Reportable Segment	Balance at August 31, 2008	Adjustments	Foreign Currency Impact	Im C
Consumer	$ 423,059	$ 414	$ (23,066)	
EMS	671,616	(302)	(48,900)	
AMS	24,435	1,385	(700)	
Total	$ 1,119,110	$ 1,497	$ (72,666)	(

Intangible assets consist primarily of contractual agreements and customer relationships, which are being amortized on a s
up to ten years, intellectual property which is being amortized on a straight-line basis over a period of up to five years and a t
indefinite life. No significant residual value is estimated for the amortizable intangible assets. The value of the Company s in
business acquisitions is principally determined based on valuations of the net assets acquired. The following tables present th
intangible assets at August 31, 2009 and August 31, 2008 (in thousands):

August 31, 2009	Gross Carrying Amount	A A
Contractual agreements & customer relationships	$ 99,583	$
Intellectual property	83,729	
Trade names	46,628	
Total	$ 229,940	$

August 31, 2008	Gross Carrying Amount	A A
Contractual agreements & customer relationships	$ 121,855	$
Intellectual property	89,576	
Trade names	48,646	

Total	$ 260,077	$

The weighted-average amortization period for aggregate net intangible assets at August 31, 2009 is 6.9 years, which inclu amortization period of 9.1 years for net contractual agreements and customer relationships and a weighted-average amortizati intellectual property.

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Intangible asset amortization for fiscal years 2009, 2008 and 2007 was approximately $31.0 million, $37.3 million, and $2
decrease in the gross carrying amount of the Company s purchased intangible assets at August 31, 2009 was primarily the re
fully amortized intangible assets. For additional information regarding purchased intangibles refer to Note 7 Business Acq
amortization expense is as follows (in thousands):

Fiscal Year Ending August 31,
2010
2011
2012
2013
2014
Thereafter
Total

7. Business Acquisitions

NSN Acquisition

On October 17, 2007, an Italian subsidiary of the Company entered into an agreement to acquire certain manufacturing op
manufacturing operations relate to two of NSN s existing facilities in Cassina de Pecchi and Marcianise, Italy. The agreemen
November 1, 2007, includes the purchase of certain assets, including machinery, equipment and inventory, and the assumptio
liabilities. The parties also entered into a manufacturing agreement, pursuant to which the Company will continue to build pr
manufactured at these facilities. The Company acquired these manufacturing operations to enhance its global standing as a le
telecommunications infrastructure hardware.

The acquisition was accounted for under the purchase method of accounting. The purchase consideration included cash of
based on foreign currency rates at the effective date of acquisition, and the assumption of certain employee related liabilities.
valuation, which was completed in the fourth quarter of fiscal year 2008, the Company recorded a purchased amortizable inta
based on foreign currency rates at the effective date of acquisition. The customer contract intangible asset is being amortized
the purchase consideration did not result in the Company recording goodwill.

8. Notes Payable, Long-Term Debt and Long-Term Lease Obligations

Notes payable, long-term debt and long-term lease obligations outstanding at August 31, 2009 and 2008 are summarized b

	A
5.875% Senior Notes due 2010 (a)	$
7.750% Senior Notes due 2016 (b)	
8.250% Senior Notes due 2018 (c)	
Short-term factoring debt (d)	
Borrowings under credit facilities (e)	
Borrowings under loans (f)	
Securitization program obligations (g)	
Miscellaneous borrowings	
Total notes payable, long-term debt and long-term lease obligations	$
Less current installments of notes payable, long-term debt and long-term lease obligations	
Notes payable, long-term debt and long-term lease obligations, less current installments	$

(a)

During the fourth quarter of fiscal year 2003, the Company issued a total of $300.0 million, seven-year, publicly-registered 5.875% Senior Notes (the 5.875% Senior Notes) at 99.803% of par, resulting in net proceeds of approximately $297.2 million. The 5.875% Senior Notes mature on July 15, 2010 and pay interest semiannually on January 15 and July 15. The Company is subject to covenants such as: limitation upon its consolidation, merger or sale; limitation upon its liens; limitation upon its sales

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and leasebacks; limitation upon its subsidiaries funded debt; limitation on guarantees given by its subsidiaries for its indebtedness; its corporate existence; reports; and compliance and notice requirements. During the fourth quarter of fiscal year 2009, the Company repurchased $294.9 million in aggregate principal amount of the 5.875% Senior Notes, pursuant to a public cash tender offer, in which it also paid an early tender premium, accrued interest and associated fees and expenses. The extinguishment of those 5.875% Senior Notes that were validly tendered resulted in a charge of $10.5 million which was recorded to other expense in the Consolidated Statement of Operations for the twelve months ended August 31, 2009.

(b)

During the fourth quarter of fiscal year 2009, the Company completed its offering of $312.0 million in aggregate principal amount of publicly-registered 7.750% senior unsecured notes (the 7.750% Senior Notes). The net proceeds from the offering were $300.0 million. The 7.750% Senior Notes will mature on July 15, 2016. Interest on the 7.750% Senior Notes is payable on January 15 and July 15 of each year, beginning on January 15, 2010. The 7.750% Senior Notes are the Company s senior unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations. The Company is subject to such covenants as limitations on the Company s and/or its subsidiaries ability to: create certain liens; enter into sale and leaseback transactions; create, incur, issue, assume or guarantee funded debt (which only

applies to certain of the Company s restricted subsidiaries); guarantee any of the Company s indebtedness (which only applies to the Company s subsidiaries); and consolidate or merge with, or convey, transfer or lease all or substantially all of the Company s assets to, another person. The Company is also subject to a covenant regarding its repurchase of the 7.750% Senior Notes upon a change of control repurchase event.

(c) During the second and third quarters of fiscal year 2008, the Company completed its offerings of $250.0 million and $150.0 million, respectively, in aggregate principal amount of 8.250% senior unsecured unregistered notes due March 15, 2018, resulting in net proceeds of approximately $245.7 million and $148.5 million, respectively. On July 18, 2008, the Company completed an exchange whereby

all of the outstanding unregistered 8.250% Notes were exchanged for registered 8.250% Notes (collectively the 8.250% Senior Notes) that are substantially identical to the unregistered notes except that the 8.250% Senior Notes are registered under the Securities Act and do not have any transfer restrictions, registration rights or rights to additional special interest.

The 8.250% Senior Notes will mature on March 15, 2018. Interest on the 8.250% Senior Notes is payable on March 15 and September 15 of each year, beginning on September 15, 2008. The interest rate payable on the 8.250% Senior Notes is subject to adjustment from time to time if the credit ratings assigned to the 8.250% Senior Notes increase or decrease, as provided in the 8.250% Senior Notes. The 8.250% Senior Notes are

the Company s senior unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations.

The Company is subject to certain covenants limiting the Company s ability and/or its subsidiaries ability to: create certain liens; enter into sale and leaseback transactions; create, incur, issue, assume or guarantee any funded debt (which only applies to the Company s restricted subsidiaries); guarantee any of the Company s indebtedness (which only applies to the Company s subsidiaries); and consolidate or merge with, or convey, transfer or lease all or substantially all of the Company s assets to, another person. The Company is also subject to a covenant regarding its repurchase of the 8.250% Senior Notes upon a change of control repurchase event.

During the fourth quarter of fiscal year 2007, the Company entered into forward interest rate swap transactions to hedge the fixed interest rate payments for an anticipated debt issuance. The swaps were accounted for as a cash flow hedge under SFAS 133. The notional amount of the swaps was $400.0 million. Concurrently with the pricing of the first $250.0 million of the 8.250% Senior Notes, the Company settled $250.0 million of the swaps by its payment of $27.5 million. The Company also settled the remaining $150.0 million of swaps during the second quarter of fiscal year 2008 by its payment of $15.6 million. As a result, the Company settled the amount recognized as a current liability on its Consolidated Balance Sheets. The Company also recorded $0.7 million in interest expense (as ineffectiveness) in

the Consolidated Statement of Operations during the three months ended February 29, 2008, with the remainder recorded in accumulated other comprehensive income, net of taxes, in its Consolidated Balance Sheets. On May 19, 2008, the Company issued the remaining $150.0 million of 8.250% Senior Notes and recorded no additional interest expense (as ineffectiveness) in the Consolidated Statement of Operations. The effective portion of the swaps remaining on its Consolidated Balance Sheets will be amortized to interest expense on the Consolidated Statement of Operations over the life of the 8.250% Senior Notes.

(d) During the fourth quarter of fiscal year 2007 and the fourth quarter of fiscal year 2009, the Company entered into separate agreements with an unrelated third party for the factoring of

specific trade accounts receivable of a foreign subsidiary. The factoring of trade accounts receivable under these agreements does not meet the criteria for recognition as a sale in accordance with SFAS 140. Under the terms of the agreements, the Company transfers ownership of eligible trade accounts receivable to the third party purchaser in exchange for cash, however, as these transactions do not qualify as a sale, the relating trade accounts receivable are included in its Consolidated Balance Sheets until the cash is received by the purchaser from its customer for the trade accounts receivable. The Company had outstanding liabilities of approximately $1.5 million and $0.6 million on its Consolidated Balance Sheets at August 31, 2009 and 2008, respectively related to these agreements.

(e) Various of the Company s foreign subsidiaries have entered into several credit facilities to finance their future growth and any corresponding working capital needs. These credit facilities are denominated in various foreign currencies, including Indian rupees, as well as U.S. dollars. At August 31, 2009, one such facility was outstanding in the amount of $21.3 million, which incurs interest at a variable rate of 3.91%.

(f) During the third quarter of fiscal year 2005, the Company negotiated a five-year, 400.0 million Indian rupee construction loan for an Indian subsidiary with an Indian branch of a global bank. Under the terms of the loan, the Company pays interest on outstanding

borrowings based on a fixed rate of 7.45%. The construction loan expires on April 15, 2010 and all outstanding borrowings are then due and payable. The 400.0 million Indian rupee principal outstanding is equivalent to approximately $8.2 million based on currency exchange rates at August 31, 2009.

During the third quarter of fiscal year 2005, the Company negotiated a five-year, 25.0 million Euro construction loan for a Hungarian subsidiary with a Hungarian branch of a global bank. Under the terms of the loan facility, the Company pays interest on outstanding borrowings based on the Euro Interbank Offered Rate plus a spread of 0.925%. Quarterly principal

repayments began in September 2006 to repay the amount of proceeds drawn under the construction loan. The construction loan expires on April 13, 2010. At August 31, 2009, borrowings of 4.3 million Euros (approximately $6.2 million based on currency exchange rates at August 31, 2009) were outstanding under the construction loan.

During the second quarter of fiscal year 2007, the Company entered into a three-year loan agreement to borrow $20.3 million from a software vendor in connection with various software licenses that the Company purchased from them. The software licenses were capitalized and are being amortized over a three-year period. The loan agreement is

non-interest bearing and payments are due quarterly through October 2009. At August 31, 2009, $1.7 million is outstanding under this loan agreement.

Through the acquisition of a Taiwanese subsidiary the Company assumed certain liabilities, including short and long term debt obligations totaling approximately $102.2 million at the date of acquisition. At August 31, 2009, approximately $5.8 million of debt is outstanding under these short term mortgage and credit facilities, with current interest rates ranging from 2.1% to 2.4%. At August 31, 2009, approximately $0.4 million of fixed assets, including buildings and land, were pledged as collateral on the mortgage facility outstanding. At August 31, 2009,

approximately $0.1 million of long term debt is outstanding and is classified as long term on the Consolidated Balance Sheets. The long term debt amount represents a credit facility outstanding and denominated in New Taiwan dollars which will mature in fiscal year 2011 and incurs interest at a rate that fluctuates based upon changes in various base rate interest rates.

During the fourth quarter of fiscal year 2007, the Company entered into the five-year Credit Facility. This agreement provides for a revolving credit portion in the initial amount of $800.0 million, subject to potential increases up to $1.0 billion, and provides for a term portion in the amount of $400.0 million. Some or all of the lenders under the Credit Facility and their

affiliates have various other relationships with the Company and its subsidiaries involving the provision of financial services, including cash management, loans, letter of credit and bank guarantee facilities, investment banking and trust services. The Company, along with some of its subsidiaries, has entered into foreign exchange contracts and other derivative arrangements with certain of the lenders and their affiliates. In addition, many, if not most, of the agents and lenders under the Credit Facility held positions as agent and/or lender under the Company s old revolving credit facility and the Bridge Facility. The revolving credit portion of the Credit Facility terminates on July 19, 2012, and the term loan portion of the Credit Facility

requires payments of principal in annual installments of $20.0 million each, with a final payment of the remaining principal due on July 19, 2012. Interest and fees on Credit Facility advances are based on the Company s unsecured long-term indebtedness rating as determined by S&P and Moody s. Interest is charged at a rate equal to either 0% to 0.75% above the base rate or 0.375% to 1.75% above the Eurocurrency rate, where the base rate represents the greater of Citibank, N.A. s prime rate or 0.50% above the federal funds rate, and the Eurocurrency rate represents the applicable London Interbank Offered Rate, each as more fully defined in this credit agreement. Fees include a facility

fee based on the revolving credit commitments of the lenders, a letter of credit fee based on the amount of outstanding letters of credit, and a utilization fee to be added to the revolving credit interest rate and any letter of credit fee during any period when the aggregate amount of outstanding advances and letters of credit exceeds 50% of the total revolving credit commitments of the lenders. Based on the Company s current senior unsecured long-term indebtedness rating as determined by S&P and Moody s, the current rate of interest (including the applicable facility and utilization fee) on a full draw under the revolving credit would be 0.275% above the base rate or 0.875% above the Eurocurrency

rate, and the current rate of interest on the term portion would be the base rate or 0.875% above the Eurocurrency rate. The Company, along with its subsidiaries, is subject to the following financial covenants: (1) a maximum ratio of (a) Debt (as defined in the Credit Facility) to (b) Consolidated EBITDA (as defined in the Credit Facility) and (2) a minimum ratio of (a) Consolidated EBITDA to (b) interest payable on, and amortization of debt discount in respect of, Debt and loss on sales of trade accounts receivables pursuant to the Company s securitization program. In addition, the Company is subject to other covenants, such as: limitation upon liens; limitation upon mergers, etc; limitation upon

accounting changes; limitation upon subsidiary debt; limitation upon sales, etc of assets; limitation upon changes in nature of business; payment restrictions affecting subsidiaries; compliance with laws, etc; payment of taxes, etc; maintenance of insurance; preservation of corporate existence, etc; visitation rights; keeping of books; maintenance of properties, etc; transactions with affiliates; and reporting requirements (collectively referred to herein as Restrictive Financial Covenants). During fiscal year 2009, the Company borrowed $3.6

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billion against the revolving credit portion of the Credit Facility. These borrowings were repaid in full during fiscal year 2009. A draw in the amount of $400.0 million has been made under the term portion of the Credit Facility and $360.0 million remains outstanding at August 31, 2009.

In addition to the loans described above, at August 31, 2009 the Company has additional loans outstanding to fund working capital needs. These additional loans total approximately $2.5 million and are denominated in Euros. The loans are due and payable within 12 months and are classified as short term on the Consolidated Balance Sheets.

(g) On April 7, 2008, the Company entered into a foreign asset-backed securitization program with a bank conduit. In connection with the foreign securitization program certain of the Company s foreign subsidiaries sell, on an ongoing basis, an undivided interest in designated pools of trade accounts receivable to a special purpose entity, which in turn borrows up to $200.0 million from the bank conduit to purchase those receivables and in which it grants security interests as collateral for the borrowings. The securitization program is accounted for as a borrowing under SFAS 140. The loan balance is calculated based on the terms of the securitization program agreements. The

foreign securitization program requires compliance with several covenants including a limitation on certain corporate actions such as mergers, consolidations and sale of substantially all assets. The Company pays interest at designated commercial paper rates plus a spread. The foreign securitization program expires on March 18, 2010. At August 31, 2009, the Company had $125.3 million of debt outstanding under the program. In addition, the Company incurred interest expense of $3.9 million and $2.8 million in the Consolidated Statement of Operations during the twelve months ended August 31, 2009 and 2008,

respectively.

The $5.1 million of 5.875% Senior Notes, $400.0 million of 8.250% Senior Notes and $312.0 million of 7.750% Senior N
cost. The estimated fair value of these senior debentures was approximately $5.0 million, $395.0 million and $306.5 million a
The estimated fair value of the $300.0 million 5.875% Senior Notes and the $400.0 million 8.250% Senior Notes were $295.
August 31, 2008, respectively. The fair value is based upon non-binding market quotes that are corroborated by observable m

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Debt maturities as of August 31, 2009 for the next five years and thereafter are as follows (in thousands):

Fiscal Year Ending August 31,
2010
2011
2012
2013
2014
Thereafter
Total

9. Postretirement Benefits

During the first quarter of fiscal year 2002, the Company established a defined benefit pension plan for all permanent emp
Limited. This plan was established in accordance with the terms of the business sale agreement with Marconi Communicatio
obligations and plan assets from the terminated Marconi plan were transferred to the newly established defined benefit plan.
participants, provides benefits based on average employee earnings over a three-year service period preceding retirement. Th
contribute amounts sufficient to meet minimum funding requirements as set forth in U.K. employee benefit and tax laws plus
deemed appropriate by the Company. Plan assets are held in trust and consist of equity and debt securities as detailed below.

As a result of acquiring various operations in Austria, France, Germany, Japan, The Netherlands, Poland, and Taiwan, the
unfunded retirement benefits to be paid based upon years of service and compensation at retirement. All permanent employee
requirement are eligible to participate in the plans.

There are no domestic pension or post-retirement benefit plans maintained by the Company.

On August 31, 2007, the Company adopted certain provisions of Statement of Financial Accounting Standards No. 158, *E*
Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106, and 132(R) (
employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in
position, and to recognize changes in that funded status in the year in which the changes occur through comprehensive incom

SFAS 158 also requires an employer to measure the funded status of a plan as of the date of its year-end statement of finan
requirement became effective for the Company during fiscal year 2009. Prior to fiscal year 2009, the Company used a May 3
substantially all of the above referenced plans, with the exception of the Jabil Circuit UK Limited plan, which used a June 30

a. Benefit Obligations

The following table provides a reconciliation of the change in the benefit obligations for the plans described above (in tho

Beginning benefit obligation
Service cost
Interest cost
Impact of the change in measurement date
Actuarial loss (gain)
Curtailment gain
Total benefits paid
Plan participant contribution
Effect of conversion to U.S. dollars
Ending benefit obligation

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

Discount rate
Rate of compensation increases

The Company evaluates these assumptions on a regular basis taking into consideration current market conditions and histo
rate is used to state expected future cash flows at a present value on the measurement date. This rate represents the market rat
investments. A lower discount rate would increase the present value of benefit obligations. Other assumptions include demog
mortality and turnover.

b. Plan Assets

The following table provides a reconciliation of the changes in the pension plan assets for the year between measurement dat

Beginning fair value of plan assets
Actual return on plan assets
Employer contributions
Benefits paid from plan assets
Plan participants contributions
Effect of conversion to U.S. dollars

Ending fair value of plan assets

The Company s pension plan weighted-average asset allocations, by asset category, are as follows:

Asset Category
Equity securities
Debt securities

Total

The Company has adopted an investment policy for a majority of plan assets designed to meet or exceed the expected rate
assumption. To achieve this, the plan retains professional investment managers that invest plan assets in equity and debt secu
expects to achieve the target mix of 35% equity and 65% debt securities in fiscal year 2010. Within the equity securities class
for investments in a broad range of publicly traded securities including both domestic and international stocks. The plan does
stock. Within the debt securities class, the investment policy provides for investments in corporate bonds as well as fixed and
instruments.

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c. Funded Status

The following table provides a reconciliation of the funded status of the plans to the Consolidated Balance Sheets (in thou

Funded Status

Ending fair value of plan assets
Ending benefit obligation

Funded status

Consolidated Balance Sheet Information

Prepaid benefit cost
Accrued benefit liability, current
Accrued benefit liability, noncurrent

Net liability recorded at August 31

Amounts recognized in accumulated other comprehensive loss at August 31, 2009 consist of:

Net actuarial loss
Prior service cost

Accumulated other comprehensive loss, before taxes

The SFAS 158 measurement date change had an impact on accumulated other comprehensive loss of $0.1 million at Augu

The following table provides the estimated amount that will be amortized from accumulated other comprehensive loss into fiscal year 2010 (in thousands):

Recognized net actuarial loss
Amortization of prior service cost

Total

The accumulated benefit obligation for all defined benefit pension plans was $120.5 million and $122.6 million at August

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

	20
Projected benefit obligation	$129
Accumulated benefit obligation	120
Fair value of plan assets	81

d. Net Periodic Benefit Cost

The following table provides information about net periodic benefit cost for the pension and other benefit plans for fiscal y thousands):

	I
	2009
Service cost	$ 1,759
Interest cost	6,779
Expected long-term return on plan assets	(4,731)
Recognized actuarial loss	874
Net curtailment gain	(4,608)
Amortization of prior service cost	(39)
Net periodic benefit cost	$ 34

Weighted-average actuarial assumptions used to determine net periodic benefit cost for the plans for fiscal years ended Au

	Pe
	2009
Discount rate	5.7%
Expected long-term return on plan assets	4.9%
Rate of compensation increase	4.5%

The expected return on plan assets assumption used in calculating net periodic pension cost is based on historical actual re future long-term performance with consideration to the expected investment mix of the plan assets.

e. Cash Flows

The Company expects to make cash contributions of between $3.8 million and $4.3 million to its funded pension plans du

The estimated future benefit payments, which reflect expected future service, as appropriate, are as follows (in thousands)

Fiscal Year Ending August 31,
2010
2011
2012
2013
2014
Years 2015 through 2019

10. Restructuring and Impairment Charges

a. 2009 Restructuring Plan

During the second quarter of fiscal year 2009, the Company s Board of Directors approved a restructuring plan to better a capacity in certain geographies and to reduce its worldwide workforce in order to reduce operating expenses (the 2009 Rest restructuring activities are intended to address the current market conditions and

properly size the Company s manufacturing facilities to increase the efficiencies of the Company s operations. In conjunctio
the Company currently expects to recognize approximately $64.0 million in total restructuring and impairment costs, excludi
$13.1 million on certain deferred tax assets, primarily over the course of fiscal years 2009 and 2010. Of this expected total, th
$53.7 million of restructuring and impairment costs in fiscal year 2009 to the Consolidated Statement of Operations. These cl
Restructuring Plan include $47.1 million related to employee severance and termination benefit costs, $0.1 million related to
related to fixed asset impairments and $0.1 million related to other restructuring costs.

These restructuring and impairment charges related to the 2009 Restructuring Plan incurred during fiscal year 2009 of $53
totaling $47.3 million, of which $19.2 million was paid in fiscal year 2009. The cash costs of $47.3 million consist of employ
benefit costs of approximately $47.1 million, approximately $0.1 million related to lease commitments, and approximately $0
restructuring costs. Non-cash costs of approximately $6.4 million primarily represent fixed asset impairment charges related t
activities.

At August 31, 2009, accrued liabilities of approximately $27.8 million related to the 2009 Restructuring Plan are expected
months. The remaining liability of $3.0 million is expected to be paid through fiscal year 2011.

Employee severance and termination benefit costs of $47.1 million recorded during fiscal year 2009 are related to the redu
functions of the business in manufacturing facilities in Europe, Asia and the Americas. To date, approximately 4,500 employ
2009 Restructuring Plan. The Company identified certain fixed assets that have ceased being used by the Company and, acco
impairment charge of $6.4 million during fiscal year 2009.

In addition, as part of the 2009 Restructuring Plan, management determined that it was more likely than not that certain de
realized as a result of the contemplated restructuring activities. Therefore, the Company recorded a valuation allowance of $1
assets as a result of the 2009 Restructuring Plan. The valuation allowances are excluded from the table below as they were re
income taxes on the Consolidated Statement of Operations.

The table below sets forth the significant components and activity in the 2009 Restructuring Plan during the fiscal year en
thousands):

	2009 Restructuring Plan	Fiscal Year Ended August 31, 2009	
	Liability Balance at August 31, 2008	**Restructuring Related Charges**	**Asset Impairment Charge and Other Non-Cash Activity**
Employee severance and termination benefits	$	$ 47,047	$ 2,802
Lease costs		83	1
Fixed asset impairment		6,432	(6,432)
Other		134	
Total	$	$ 53,696	$ (3,629)

The table below sets forth the significant components and activity in the 2009 Restructuring Plan by reportable segment d
August 31, 2009 (in thousands):

	2009 Restructuring Plan	Fiscal Year Ended August 31, 2009	
	Liability Balance at August 31, 2008	**Restructuring Related Charges**	**Asset Impairment Charge and Other**

				Non-Cash Activity
Consumer	$	$	8,040	$ (4,010)
EMS			41,296	381
AMS			4,360	
Total	$	$	53,696	$ (3,629)

b. 2006 Restructuring Plan

In conjunction with the restructuring plan that was approved by the Company s Board of Directors in the fourth quarter o
Restructuring Plan), the Company recorded a reversal of $1.8 million of restructuring and impairment costs

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during fiscal year 2009 compared to a charge of $54.8 million of restructuring and impairment costs during fiscal year 2008, restructuring and impairment costs for fiscal year 2009 include $2.7 million related to employee severance and termination b lease commitment charges of $0.9 million. The restructuring and impairment costs for fiscal year 2008 include $46.7 million and termination benefit costs, $7.3 million related to lease commitments, $0.3 million related to fixed asset impairments and restructuring costs.

These restructuring and impairment charges related to the 2006 Restructuring Plan incurred through fiscal year 2009 of $2 totaling $158.5 million, of which $1.5 million was paid in the fourth fiscal quarter of 2006, $64.8 million was paid in fiscal y in fiscal year 2008, $27.1 million was paid in fiscal year 2009 and $7.9 million is expected to be paid primarily through fisca consist of employee severance and termination benefit costs of approximately $143.9 million, costs related to lease commitm $20.8 million and other restructuring costs of $2.1 million. These cash costs were offset by approximately $8.3 million of cas connection with facility closure costs. Non-cash costs of approximately $48.9 million primarily represent fixed asset impairm Company s restructuring activities.

The reversal of employee severance and termination benefit costs of $1.8 million recorded during fiscal year 2009 was du severance and termination benefits that will be paid by the Company. Employee severance and termination benefit costs of $ fiscal year 2008, are related to the reduction of employees across all functions of the business in manufacturing facilities in E Approximately 10,500 employees have been included in the 2006 Restructuring Plan to date. Lease commitment costs of $0. 2009 compared to $7.3 million recorded during fiscal 2008, primarily relate to future lease payments for facilities that were v Europe.

In addition, as part of the 2006 Restructuring Plan, management determined that it was more likely than not that certain e would not be able to utilize their deferred tax assets as a result of the contemplated restructuring activities. Therefore, the Co allowances of $53.7 million on net deferred tax assets as part of the 2006 Restructuring Plan prior to September 1, 2009. The excluded from the table below as they were recorded through the provision for income taxes on the Consolidated Statement c Income Taxes to the Consolidated Financial Statements for further discussion of the Company s net deferred tax assets a

The table below sets forth the significant components and activity in the 2006 Restructuring Plan during the fiscal year en thousands):

	2006 Restructuring Plan	Fiscal Year Ended August 31, 2009	
	Liability Balance at August 31, 2008	Restructuring Related Charges	Asset Impairment Charge and Other Non-Cash Activity
Employee severance and termination benefits	$ 36,210	$ (2,686)	$ (3,369)
Lease costs	3,865	884	(32)
Other	429		(8)
Total	$ 40,504	$ (1,802)	$ (3,409)

The table below sets forth the significant components and activity in the 2006 Restructuring Plan by reportable segment d August 31, 2009 (in thousands):

	2006 Restructuring Plan	Fiscal Year Ended August 31, 2009	
	Liability Balance at August 31,	Restructuring Related	Asset Impairment Charge and Other

	2008	Charges	Non-Cash Activity
Consumer	$ 6,418	$ (448)	$ (308)
EMS	33,426	(2,391)	(3,088)
AMS	660	(76)	(11)
Other non-reportable operating		1,113	(2)
Total	$ 40,504	$ (1,802)	$ (3,409)

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11. Commitments and Contingencies

a. Lease Agreements

The Company leases certain facilities under non-cancelable operating leases. The future minimum lease payments under n
August 31, 2009 are as follows (in thousands):

Fiscal Year Ending August 31,
2010
2011
2012
2013
2014
Thereafter
Total minimum lease payments

Total operating lease expense was approximately $59.7 million, $48.9 million, and $43.4 million for the fiscal years endec
2007, respectively.

b. Warranty Provision

The Company maintains a provision for limited warranty repair of shipped products, which is established under the terms
contract agreements. The warranty period varies by product and customer industry sector. The provision represents managem
liabilities, calculated as a function of sales volume and historical repair experience, for each product under warranty. The esti
for accuracy. A rollforward of the warranty liability is as follows (in thousands):

Balance at August 31, 2006
Accruals for warranties during the year
Settlements made during the year
Balance at August 31, 2007
Accruals for warranties during the year
Settlements made during the year
Balance at August 31, 2008
Accruals for warranties during the year
Settlements made during the year
Balance at August 31, 2009

c. Legal Proceedings

i. Private Litigation Related to Certain Historical Stock Option Grant Practices

In April and May of 2006, shareholder derivative lawsuits were filed in State Circuit Court in Pinellas County, Florida on
shareholder of the Company naming the Company as a nominal defendant, and naming certain of the Company s officers an
lawsuits were subsequently consolidated (the Consolidated State Derivative Action). The Consolidated State Derivative A
fiduciary duties to the Company by backdating certain stock option grants between August 1998 and October 2004 to make it
on a prior date when the Company s stock price was lower. Subsequently, two similar federal derivative suits were filed and
one action (the Consolidated Federal Derivative Action).

On May 3, 2006, the Company s Board of Directors appointed a Special Committee that reviewed the allegations asserted
actions and concluded that the evidence did not support a finding of intentional manipulation of stock option grant pricing by
addition, the Special Committee concluded that it was not in the Company s best interests to pursue the derivative actions an

position on the Company s behalf in each of the pending derivative lawsuits. The Special Committee identified certain facto
surrounding the process of accounting for option grants that contributed to the accounting errors that led to a restatement of c
financial statements.

In September 2007, the Company reached an agreement to resolve the Consolidated State Derivative Action and the Cons
Action that did not involve the Company paying any monetary damages, but it did adopt several new

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policies and procedures to improve the process through which equity awards are determined, approved and accounted for. In
entered an order dismissing the Consolidated State Action and finding that the proposed settlement was fair, adequate and rea
plaintiffs counsel $700.0 thousand in attorney fees and costs ($575.0 thousand of which was paid by the Company s Direct
and $125.0 thousand of which was paid by the Company). On April 25, 2008, the Federal Court approved the proposed settle
the Consolidated Federal Action.

In addition to the derivative actions, on September 18, 2006, a putative shareholder class action was filed in the U.S. Distr
of Florida, Tampa Division against the Company and various present and former officers and directors, including Forbes I.J.
Laurence S. Grafstein, Mel S. Lavitt, Chris Lewis, Timothy Main, Mark T. Mondello, William D. Morean, Lawrence J. Murp
A. Raymund, Thomas A. Sansone and Kathleen A. Walters on behalf of a proposed class of plaintiffs comprised of persons t
shares between September 19, 2001 and June 21, 2006. A second putative class action, containing virtually identical legal cla
filed on October 12, 2006. The two actions were consolidated into a single proceeding (the Consolidated Class Action) an
appointed The Laborers Pension Trust Fund for Northern California and Pension Trust Fund for Operating Engineers as lead
March 5, 2007, the lead plaintiffs filed a consolidated class action complaint (the Consolidated Class Action Complaint). T
Complaint is purported to be brought on behalf of all persons who purchased the Company s publicly traded securities betwe
December 21, 2006, and names the Company and certain of its current and former officers, including Forbes I.J. Alexander, S
Edwards, Chris A. Lewis, Mark T. Mondello, Robert L. Paver and Ronald J. Rapp, as well as certain of the Company s direc
Morean, Frank A. Newman, Laurence S. Grafstein, Steven A. Raymund, Lawrence J. Murphy, Kathleen A. Walters and Tho
The Consolidated Class Action Complaint alleged violations of Sections 10(b), 20(a), and 14(a) of the Securities Exchange A
Exchange Act), and the rules promulgated thereunder. The Consolidated Class Action Complaint alleged that the defendan
fraudulently backdate the grant dates of options for various senior officers and directors, causing the Company s consolidate
understate management compensation and overstate net earnings, thereby inflating the Company s stock price. In addition, t
Company s proxy statements falsely stated that it had adhered to its option grant policy of granting options at the closing pri
immediately prior to the date of the grant. Also, the complaint alleged that the defendants failed to timely disclose the facts a
Company, on June 12, 2006, to announce that it was lowering its prior guidance for net earnings for the third quarter of fiscal
the plaintiffs filed a First Amended Consolidated Class Action Complaint asserting claims substantially similar to the Consol
replaced but adding additional allegations relating to the restatement of earnings previously announced in connection with th
calculation of compensation expense for certain stock option grants. The Company filed a motion to dismiss the First Amend
Complaint on June 29, 2007. The plaintiffs filed an opposition to the Company s motion to dismiss, and the Company then f
further support of its motion to dismiss on September 28, 2007. On April 9, 2008, the Court dismissed the First Amended Co
Complaint without prejudice and with leave to amend such complaint on or before May 12, 2008.

On May 12, 2008, plaintiffs filed a Second Amended Class Action Complaint. The Second Amended Class Action Compl
same causes of action against the same defendants, predicated largely on the same allegations of fact as in the First Amended
Complaint except insofar as the plaintiffs added KPMG LLP, the Company s independent registered public accounting firm,
additional allegations with respect to (a) pre-class period option grants, (b) the professional background of certain defendants
non-executive employees, (d) the restatement of the Company s financial results for certain periods between 1996 and 2005
plaintiffs and certain of the defendants during the class period. The Second Amended Class Action Complaint also includes a
trading against certain defendants pursuant to Rules 10b-5 and 10b5-1 promulgated pursuant to the Exchange Act. The Comp
Second Amended Class Action Complaint.

On January 26, 2009, the Court dismissed the Second Amended Class Action Complaint with prejudice. The plaintiffs app
February 20, 2009, and the Second Amended Class Action Complaint has been set for oral arguments in December 2009. Th
Second Amended Class Action Complaint is without merit and it will continue to vigorously defend the action, although no a
ultimate outcome of any such further proceedings.

ii. Securities Exchange Commission Informal Inquiry and U.S. Attorney Subpoena Related to Certain Historical Stock Op

In addition to the private litigation described above, the Company was notified on May 2, 2006 by the Staff of the Securiti
(the SEC) of an informal inquiry concerning the Company s stock option grant practices. In May 2006, the Company rece
Attorney s office for the Southern District of New York requesting certain stock option related material. Such information w
Company did not hear further from such U.S. Attorney s office. In addition, the Company s review of its historical stock op
certain transactions proposed or effected between fiscal years 1999 and 2002 to determine if it properly recognized revenue a
transactions. The Audit

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Committee of the Company s Board of Directors engaged independent legal counsel to assist it in reviewing certain propose
certain customers that occurred during this period. The review determined that there was inadequate documentation to suppor
certain revenues received during the period. The Company s Audit Committee concluded that there was no direct evidence t
employees intentionally made or caused false accounting entries to be made in connection with these transactions, and the Co
impact was immaterial. The Company provided the SEC with the report that this independent counsel produced regarding the
the Special Committee s report regarding the Company s stock option grant practices, and the other information requested a
Special Committee, the SEC and the U.S. Attorney s office.

The Company received a letter from the SEC Division of Enforcement on November 24, 2008, advising the Company that
investigation and did not intend to recommend that the SEC take any enforcement action.

iii. Other Litigation

The Company is party to certain other lawsuits in the ordinary course of business. The Company does not believe that thes
the aggregate, will have a material adverse effect on the Company s financial position, results of operations or cash flows.

12. Stockholders Equity

a. Stock Option and Stock Appreciation Right Plans

The Company s 1992 Stock Option Plan (the 1992 Plan) provided for the granting to employees of incentive stock opt
Section 422 of the Internal Revenue Code and for the granting of non-statutory stock options to employees and consultants of
23,440,000 shares of common stock were reserved for issuance under the 1992 Plan. The 1992 Plan was adopted by the Boar
1992 and was terminated in October 2001 with the remaining shares transferred into a new plan created in fiscal year 2002.

In October 2001, the Company established a new Stock Option Plan (the 2002 Incentive Plan). The 2002 Incentive Plan
Directors in October 2001 and approved by the stockholders in January 2002. The 2002 Incentive Plan provides for the grant
within the meaning of Section 422 Internal Revenue Code and non-statutory stock options, as well as restricted stock, stock a
stock-based awards. The 2002 Incentive Plan has a total of 33,608,726 shares reserved for grant, including 2,608,726 shares t
1992 Plan when it was terminated in October 2001, 10,000,000 shares authorized in January 2004, 7,000,000 shares authoriz
shares authorized in August 2007, 2,500,000 shares authorized in January 2008 and 1,500,000 shares authorized in January 2
sub-plans under the 2002 Incentive Plan for its United Kingdom employees (the CSOP Plan) and for its French employees
and FSOP Plan are tax advantaged plans for the Company s United Kingdom and French employees, respectively. Shares ar
FSOP Plan from the authorized shares under the 2002 Incentive Plan.

The 2002 Incentive Plan provides that the exercise price of Options generally shall be no less than the fair market value of
date of grant. Exceptions to this general rule apply to grants of stock appreciation rights, grants of Options intended to preser
option and other equity-based interests held by employees of acquired entities, and grants of Options intended to provide a m
employee to commence employment with the Company. It is and has been the Company s intention for the exercise price of
Incentive Plan to be at least equal to the fair market value of shares of common stock on the date of grant. However, as we pr
Stock Option Litigation and Restatements to the Consolidated Financial Statements in the Annual Report on Form 10-K fo
2006, a certain number of Options were identified that had a measurement date based on the date that the Compensation Com
appropriate) decided to grant the Options, instead of the date that the terms of such grants became final, and, therefore, the re
price less than the fair market value of shares of common stock on the final date of measurement. As a result, the holders of t
less than the fair market value of shares of common stock on the final date of measurement may incur adverse tax consequen
consequences relate to the portions of such Options that vest after December 31, 2004 (Section 409A Affected Options) ar
accelerated income taxation and a penalty tax under Internal Revenue Code Section 409A (Section 409A).

During the fiscal year ended August 31, 2007, the Company recorded an additional $4.9 million of compensation expense
of Operations, as a result of agreeing to pay certain 2006 personal tax liabilities incurred by certain option holders who have
Options as defined under Internal Revenue Code Section 409A. On May 12, 2008, the Company commenced an exchange of
employees who are subject to taxation in the U.S. to amend or replace the Section 409A Affected Options (the Exchange O
Offer was to permit eligible affected employees to avoid the adverse tax consequences that would be imposed on the Section

Section 409A. Pursuant to the Exchange Offer, the Company offered to eligible affected employees the right to have their eli
Options amended or replaced and, in certain circumstances, to receive cash payment as compensation for an increased exerci
have the same terms as the original awards except for an increased exercise price or a new grant date, or both, as applicable.
completed on June 13, 2008. Substantially all affected employees elected to accept the offer, which covered options to acqui
Company s common stock. A similar separate offer was made to one executive officer on July 16, 2008, and resulted in 19,6
Collectively, the Company paid $0.3 million to all of the affected employees and recorded compensation expense in connecti

In October 2007, the Board of Directors approved comprehensive procedures governing the manner in which Options are
substantially reduce the likelihood that future grants of Options will be made with an exercise price that is less than the fair m
stock on the Option measurement date for financial accounting and reporting purposes.

With respect to any participant who owns stock representing more than 10% of the voting power of all classes of stock of
of any incentive stock option granted is to equal at least 110% of the fair market value on the grant date and the maximum te
five years. The term of all other Options under the 2002 Incentive Plan may not exceed ten years. Beginning in fiscal year 20
a rate of one-twelfth 15 months after the grant date with an additional one-twelfth vesting at the end of each three-month peri
vested after a 48-month period. Prior to this change, Options generally vested at a rate of 12% after the first six months and 2
becoming fully vested after a 50-month period.

The Company applies a lattice valuation model for all stock options and stock appreciation rights (collectively known as
August 31, 2005, excluding those granted under the Company s ESPP. The lattice valuation model is a more flexible analysi
because of its ability to incorporate inputs that change over time, such as volatility and interest rates, and to allow for actual e
holders. Prior to this change, the Company used the Black-Scholes model for valuing Options. The Company uses historical
exercise and employee departure behavior used in the lattice valuation model. The expected term of Options granted is derive
pricing model and represents the period of time that Options granted are expected to be outstanding. The risk-free rate for pe
of the Options is based on the U.S. Treasury yield curve in effect at the time of grant. The volatility used for the lattice mode
periods within the contractual term of the Option. The constant volatility is a weighted average of implied volatilities from tr
volatility corresponding to the contractual term of the Option. The expected dividend yield of Options granted is derived base
dividend yield over the expected life of the Option expressed as a percentage of the stock price on the date of grant.

The weighted-average grant-date fair value per share of Options granted during the fiscal year ended August 31, 2009, 20
and $13.08, respectively. The total intrinsic value of Options exercised during the fiscal year ended August 31, 2009, 2008, a
$4.8 million, and $9.0 million, respectively. As of August 31, 2009, there was $22.6 million of unrecognized compensation c
Options that is expected to be recognized over a weighted-average period of 1.3 years. The total fair value of Options vested
August 31, 2009, 2008 and 2007 was $24.9 million, $19.0 million, and $12.3 million, respectively.

Following are the grant date weighted-average and range assumptions, where applicable, used for each respective period:

	Fiscal Yea	
	2009	
Expected dividend yield	3.6%	
Risk-free interest rate	0% to 3.6%	1.
Expected volatility	67.3%	
Expected life	5.8 years	

The fair-value method is also applied to non-employee awards in accordance with SFAS 123R. The measurement date fo
non-employees is the earlier of the performance commitment date or the date the services required under the arrangement ha
Company generally considers the measurement date for such non-employee awards to be the date that the award has vested.
awards at each interim reporting period between the grant date and the measurement date. Non-employee awards are classifi
Consolidated Balance Sheets and are therefore remeasured at each interim reporting period until the Options are exercised, c
At August 31, 2009 and 2008, $47.0 thousand and $0.2 million, respectively, related to non-employee stock-based awards w
Company s

Consolidated Balance Sheets and a gain of $0.1 million and a gain of $0.3 million was recorded in the Consolidated Statemer months ended August 31, 2009 and 2008, respectively, resulting from remeasurement of the awards.

At August 31, 2009, the Company has 82,844 Options outstanding that will be settled by the Company with cash. SFAS 1 classify cash settled awards as liabilities on the Company s Consolidated Balance Sheets and measure these awards at fair va award is ultimately settled (i.e. until the Option is exercised or canceled). All changes in fair value are recorded to the Compa Operations at each reporting date. At August 31, 2009, $0.1 million related to cash settled awards was recorded as a liability Balance Sheets. The Company recognized a loss in the Consolidated Statement of Operations of $65.3 thousand and $24.0 th fair value for the twelve months ended August 31, 2009 and 2008, respectively.

The following table summarizes option activity from September 1, 2008 through August 31, 2009:

	Shares Available for Grant	Options Outstanding	Aggregate Intrinsic Value (in thousands)
Balance at September 1, 2008	7,262,639	16,466,315	$ 8,771
Options authorized	1,500,000		
Options expired	(363,980)		
Options granted	(55,290)	55,290	
Options cancelled	1,498,771	(1,498,771)	
Restricted stock awards (1)	(4,714,044)		
Options exercised		(1,160)	
Balance at August 31, 2009	5,128,096	15,021,674	$ 154
Exercisable at August 31, 2009		12,412,208	$ 0

(1) Represents the maximum number of shares that can be issued based on the achievement of certain performance criteria.

b. Restricted Stock Awards

Beginning in fiscal year 2005, the Company granted restricted stock awards to certain key employees pursuant to the 2002 awards granted in fiscal year 2005 will vest after five years, but may vest earlier if specific performance criteria are met. In fi began granting certain restricted stock awards that have performance conditions that will be measured at the end of the emplo which provide a range of vesting possibilities from 0% to 200%. The performance based restricted awards generally vest on a three year period. In accordance with SFAS 123R, the stock-based compensation expense for these restricted stock awards (i restricted stock units) is measured at fair value on the date of grant based on the number of shares expected to vest and the qu Company s common stock. For restricted stock awards with performance conditions, stock-based compensation expense is c

shares that would vest if the Company achieved 100% of the performance goal, which was the probable outcome at the grant service period management monitors the probability of achievement of the performance condition. If it becomes probable, ba performance, that more or less than the current estimate of the awarded shares will vest, an adjustment to compensation cost v accounting estimate. Alternatively, if any of the performance goals are not met, any previously recognized compensation cost

In the fourth quarter of fiscal year 2007, the Company determined that for the restricted stock awards that were granted in aforementioned performance conditions, it was probable that the performance goal resulting in 100% of the awards being ves However, it was probable that 40% of the awards would vest. This change in estimate resulted in the reversal of $9.1 million expense from the Company s Consolidated Statement of Operations in the fourth quarter of fiscal year 2007. It was further d fiscal year 2008 that for such restricted stock awards granted in fiscal year 2006, it was probable that none of the awards wou additional reversal of $5.9 million in stock-based compensation expense from the Company s Consolidated Statement of Op of fiscal year 2008, it was determined that 50% of the restricted stock awards that were granted in fiscal year 2007 with perfo This change in estimate resulted in a reversal of $6.9 million in stock-based compensation expense from the Company s Con in the third quarter of fiscal year 2008. It was further determined in the fourth quarter of fiscal year 2008 that for restricted sto 2007, it was probable that none of the

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awards would vest, which resulted in an additional reversal of $7.6 million in stock-based compensation expense from the Co
of Operations in the fourth quarter of fiscal year 2008. During the second quarter of fiscal year 2009, it was determined that n
awards that were granted in fiscal year 2008 with performance conditions would vest. This change in estimate resulted in a re
stock-based compensation expense from the Company s Consolidated Statement of Operations in the second quarter of fisca
awards that were granted in fiscal year 2009 continue to be recognized based on an estimated 100% performance goal, the pro

The Company began granting time based restricted stock to employees in fiscal year 2007. The time based restricted share
graded vesting schedule over three years. In accordance with SFAS 123R, the stock-based compensation expense for these re
restricted stock and restricted stock units) is measured at fair value on the date of grant based upon the quoted market price of

In fiscal year 2008, the Company began granting certain restricted stock awards with a vesting condition that is tied to the
Composite Index. In accordance with SFAS 123R, such a market condition must be considered in the grant date fair value of
determination made using a lattice mode, which utilizes multiple input variables to determine the probability of the Company
conditions. Stock-based compensation expense related to an award with a market condition will be recognized over the requis
whether the market condition is satisfied, provided that the requisite service period has been completed.

At August 31, 2009, there was $26.6 million of total unrecognized compensation cost related to restricted stock awards gr
Incentive Plan. That cost is expected to be recognized over a weighted-average period of 1.4 years.

The following table summarizes restricted stock activity from September 1, 2008 through August 31, 2009:

Nonvested balance at September 1, 2008	
Changes during the period	
Shares granted (1)	
Shares vested	
Shares forfeited	
Nonvested balance at August 31, 2009	1

(1) Represents the maximum number of shares that can vest based on the achievement of certain performance criteria.

c. Employee Stock Purchase Plan

The ESPP was adopted by the Company s Board of Directors in October 2001 and approved by the shareholders in Janua
2,000,000 shares reserved under the ESPP. An additional 2,000,000 shares and 3,000,000 shares were authorized for issuance
by stockholders in January 2006 and January 2009, respectively. The Company also adopted a sub-plan under the ESPP for it
sub-plan is a tax advantaged plan for the Company s Indian employees. Shares are issued under the Indian sub-plan from the
ESPP.

Employees are eligible to participate in the ESPP after 90 days of employment with the Company. The ESPP permits eligi
common stock through payroll deductions, which may not exceed 10% of an employee s compensation, as defined in the ES
fair market value of the common stock at the beginning or end of the offering period, whichever is lower. The ESPP is intend

of the Internal Revenue Code. Unless terminated sooner, the ESPP will terminate on October 17, 2011.

Awards under the 2002 Purchase Plan are generally granted in June and December. There were 1,248,314, 824,498, and 6 the 2002 Purchase Plan for the fiscal year ended August 31, 2009, 2008, and 2007, respectively. At August 31, 2009, a total c issued under the ESPP.

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The fair value of shares issued under the 2002 Purchase Plan was estimated on the commencement date of each offering p
option pricing model. The following weighted-average assumptions were used in the model for each respective period:

	Fiscal Y
	2009
Expected dividend yield	1.5%
Risk-free interest rate	1.1%
Expected volatility	74.6%
Expected life	0.5 years

d. Dividends

The following table sets forth certain information relating to the Company s cash dividends paid or declared to common s
2008 and 2009.

	Dividend declaration date	Dividend per share	Total of cash dividends paid	Date of record for dividend payment
			(in thousands, except per share data)	
Fiscal year 2008:	November 1, 2007	$0.07	$14,667	November 15, 2007
	January 17, 2008	$0.07	$14,704	February 15, 2008
	April 17, 2008	$0.07	$14,704	May 15, 2008
	July 16, 2008	$0.07	$14,739	August 15, 2008
Fiscal year 2009:	October 24, 2008	$0.07	$14,916	November 17, 2008
	January 22, 2009	$0.07	$14,974	February 17, 2009
	April 23, 2009	$0.07	$14,954	May 15, 2009
	July 16, 2009	$0.07	$14,992	August 17, 2009

13. Concentration of Risk and Segment Data

a. Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and c
receivables. The Company maintains cash and cash equivalents with various domestic and foreign financial institutions. Depo
institutions may exceed the amount of insurance provided on such deposits, but may generally be redeemed upon demand. Th
evaluations of the relative credit standing of the financial institutions and attempts to limit exposure with any one institution.
receivables, the Company performs ongoing credit evaluations of its customers and generally does not require collateral. The
allowance for potential credit losses on trade receivables.

Sales of the Company s products are concentrated among specific customers. For the fiscal year ended August 31, 2009, t
customers accounted for approximately 43% of our net revenue and 50 customers accounted for approximately 90% of our ne
customers who accounted for 10% or more of the Company s net revenues, expressed as a percentage of consolidated net rev
accounts receivable for each customer, were as follows:

	Percentage of Net Revenue Fiscal Year Ended August 31,		
	2009	2008	2007
Cisco Systems, Inc.	13%	16%	15%
Research in Motion Limited	12%	*	*
Nokia Corporation	*	*	13%
Hewlett-Packard Company	*	11%	*

* Amount was less than 10% of total

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Sales to the above customers were reported in the Consumer, EMS and AMS operating segments.

The Company procures components from a broad group of suppliers, determined on an assembly-by-assembly basis. Alm
manufactured by the Company require one or more components that are available from only a single source.

b. Segment Data

Statement of Financial Accounting Standards No. 131, *Disclosures about Segments of an Enterprise and Related Informa*
standards for reporting information about segments in financial statements. Operating segments are defined as components of
business activities from which it may earn revenues and incur expenses; for which separate financial information is available
regularly reviewed by the chief operating decision maker to assess the performance of the individual segment and make decis
allocated to the segment.

The Company derives its revenue from providing comprehensive electronics design, production, product management and
Management, including the Chief Executive Officer, evaluates performance and allocates resources on a divisional basis for r
operating segments. Prior to the first quarter of fiscal year 2008, the Company managed its business based on three geograph
and Asia and managed the services group independently of the regional manufacturing segments. During fiscal year 2008, the
organizational structure to manage the business based on divisions. Accordingly, the Company s operating segments now co
Consumer, EMS and AMS. All prior period disclosures presented below have been restated to reflect this change.

Net revenue for the operating segments is attributed to the division in which the product is manufactured or service is perf
performance is evaluated based upon its pre-tax operating contribution, or segment income. Segment income is defined as ne
segment selling, general and administrative expenses, segment research and development expenses and an allocation of corpo
and selling, general and administrative expenses, and does not include, intangible amortization, stock-based compensation ex
impairment charges, other expense, interest income, interest expense, income taxes or minority interest. Total segment assets
receivable, inventory, customer related machinery and equipment, intangible assets and goodwill. All other non-segment asse
by management. Transactions between operating segments are generally recorded at amounts that approximate arm s length.

The following table sets forth operating segment information (in thousands):

	Fiscal Year	
	2009	
Net revenue		
Consumer	$ 4,160,105	$
EMS	6,802,482	
AMS	721,951	
	$ 11,684,538	$ 1

	2009	
Segment income and reconciliation of (loss) income before income taxes and minority interest		
Consumer	$ 51,764	$
EMS	124,498	
AMS	63,317	
Total segment income	$ 239,579	$
Reconciling items:		
Amortization of intangibles	(31,039)	
Restructuring and impairment charges	(51,894)	
Goodwill impairment charges	(1,022,821)	
Other expense	(20,111)	
Interest income	7,426	

Interest expense	(82,247)	
Stock-based compensation expense	(44,026)	
(Loss) income before income taxes and minority interest (net of tax)	$ (1,005,133)	$

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	Fiscal Yea
	2009
Total assets	
Consumer	$ 1,723,934
EMS	2,017,575
AMS	280,126
Other non-allocated assets	1,296,223
	$ 5,317,858

See Note 10 Restructuring and Impairment Charges for discussion of the Company s restructuring plan initiated in f

The Company operates in 24 countries worldwide. Sales to unaffiliated customers are based on the Company s location p production, product management or aftermarket services. The following tables set forth external net revenue, net of intercom asset information where individual countries represent a material portion of the total (in thousands):

	Fiscal Year
	2009
External net revenue:	
Mexico	$ 2,704,681
China	2,444,307
U.S.	1,887,773
Hungary	1,005,144
Malaysia	814,425
Brazil	510,071
Poland	478,457
Other	1,839,680
	$ 11,684,538

	2009
Long-lived assets:	
China	$ 413,064
U.S.	252,574
Mexico	247,605
Taiwan	133,395
Malaysia	101,246
Poland	91,188
Hungary	80,618
India	76,443
Other	137,884
	$ 1,534,017

Total foreign source net revenue was approximately $9.8 billion, $10.2 billion, and $9.7 billion for the fiscal years ended respectively. Total long-lived assets related to the Company s foreign operations were approximately $1.3 billion, $2.3 billio years ended August 31, 2009, 2008 and 2007, respectively.

14. Derivative Financial Instruments and Hedging Activities

The Company applies SFAS 133, as amended by Statement of Financial Accounting Standards No. 138, *Accounting for C* *and Certain Hedging Activity, an Amendment of SFAS 133*, Statement of Financial Accounting Standards No. 149, *Amendme* *Derivative Instruments and Hedging Activities* and Statement of Financial Accounting

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Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (SFAS 161). In accordance with thes instruments are recorded on the Consolidated Balance Sheets at their respective fair values. The accounting for changes in the instrument depends on the intended use and designation of the derivative instrument. For derivative instruments that are desig hedge, the gain or loss on the derivative and the offsetting gain or loss on the hedged item attributable to the hedged risk are r For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the reported as a component of accumulated other comprehensive income/(loss), net of tax, and is subsequently reclassified into e affects earnings. The ineffective portion of the gain or loss is recognized in current earnings. For derivative instruments that a gains and losses from changes in fair values are recognized currently in earnings.

On September 1, 2008, the Company adopted the provisions of Statement of Financial Accounting Standards No. 157, *Fa* 157) which applies to financial assets and liabilities that are being measured and reported on a fair value basis and expands d measurements. The adoption of SFAS 157 for financial assets and liabilities did not have a material impact on the Company practices but requires disclosure of a fair value hierarchy of inputs used to value an asset or a liability. The three levels of the Level 1 quoted market prices in active markets for identical assets and liabilities; Level 2 inputs other than quoted marke that are observable for the asset or liability, either directly or indirectly; and Level 3 unobservable inputs for the asset or lia

The Company is exposed to certain risks relating to its ongoing business activities. The primary risks managed by the use foreign currency fluctuation risk and interest rate risk.

a. Foreign Currency Risk Management:

Forward contracts are put in place to manage the foreign currency risk associated with various commitments arising from accounts payable and fixed purchase obligations. At August 31, 2009, a hedging relationship existed that related to certain an denominated expenses, with an aggregate notional amount outstanding at August 31, 2009 and 2008 of $29.3 million and $0, forward foreign exchange contracts have been designated as hedging instruments and are accounted for as cash flow hedges u foreign exchange contract transactions will effectively lock in the value of anticipated foreign currency denominated expense fluctuations. The anticipated foreign currency denominated expenses being hedged are expected to occur between September

Additionally, the Company enters into forward contracts to economically hedge transactional exposure associated with co accounts receivable, trade accounts payable and fixed purchase obligations denominated in a currency other than the function operating entity. The aggregate notional amount of these outstanding contracts at August 31, 2009 and 2008 was $841.0 milli

The following table presents the Company s assets and liabilities related to foreign forward exchange contracts measured as of August 31, 2009, aggregated by the level in the fair-value hierarchy within which those measurements fall (in thousands

	Level 1	Level 2
Assets:		
Forward foreign exchange contracts	$	$ 10,874
Liabilities:		
Forward foreign exchange contracts		(5,511)
Total	$	$ 5,363

The Company s forward foreign exchange contracts are measured on a recurring basis based on foreign currency spot rat banks or foreign currency dealers.

The Company has the following derivative instruments located on the Consolidated Balance Sheets utilized for foreign cu purposes at August 31, 2009 (in thousands):

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	Fair Values of Derivat	
	Asset Derivatives	
	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments under SFAS 133:		
Forward foreign exchange contracts	Prepaid expenses and other assets	$ 961
Derivatives not designated as hedging instruments under SFAS 133:		
Forward foreign exchange contracts	Prepaid expenses and other assets	$9,913

The Company has the following derivative instruments located on the Consolidated Statement of Operations utilized for fo
purposes which are designated as hedging instruments under SFAS 133 (in thousands):

Derivatives in SFAS 133 Cash Flow Hedging Relationship	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion) for the Twelve months ended August 31, 2009	Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion) for the Twelve months ended August 31, 2009	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion) for the Twelve months ended August 31, 2009	Loc G (Reco Inc Der (Ine P and Ex f Effe Te
Forward foreign exchange contracts	$ 705	Cost of revenue	$ 307	Cost o

The effect of derivative instruments not designated as hedging instruments under SFAS 133 on the Consolidated Statemen
months ended August 31, 2009 is as follows (in thousands):

Derivatives not designated as hedging instruments under SFAS 133	Location of Gain or (Loss) Recognized in Income on Derivative

Forward foreign exchange contracts	Cost of revenue

At August 31, 2009, the Company recognized a net unrealized loss of approximately $4.4 million on forward foreign exch hedging instruments under SFAS 133 which was recorded in the cost of revenue line on the Consolidated Statement of Opera the fair value of the underlying hedged assets or liabilities.

b. Interest Rate Risk Management:

Interest rate swaps are entered into in order to manage interest rate risk associated with the Company s variable rate borro hedging relationship existed that related to $100.0 million of the Company s variable rate debt. The swap is accounted for as 133. This interest rate swap transaction effectively locks in a fixed interest rate for variable rate interest payments that are exp January 28, 2009 through January 28, 2010. Under the terms of the swap, the Company will pay a fixed rate and will receive month USD LIBOR rate plus a credit spread.

The following table presents the Company s assets and liabilities related to the interest rate swap measured at fair value o August 31, 2009, aggregated by the level in the fair-value hierarchy within which those measurements fall (in thousands):

	Level 1	Level 2
Assets:		
Interest rate swap	$	$

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	Level 1	Level 2
Liabilities:		
Interest rate swap		(255)
Total	$	$ (255)

The Company s interest rate swap is measured on a recurring basis based on the LIBOR forward rate as quoted by certain

The Company has the following derivative instruments located on the Consolidated Balance Sheets utilized for interest rat August 31, 2009 (in thousands):

	Fair Values of Deriv	
	Asset Derivatives	
	Balance Sheet Location	**Fair Value**
Derivatives designated as hedging instruments under SFAS 133:		
Interest rate swap	Not applicable	$

The Company has the following derivative instruments located on the Consolidated Statement of Operations utilized for in purposes (in thousands):

Derivatives in SFAS 133 Cash Flow Hedging Relationship	**Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion) for the Twelve months ended August 31, 2009**	**Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion) for the Twelve months ended August 31, 2009**	**Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion) for the Twelve months ended August 31, 2009**	**Location of Gain (Loss) Recognized Income on Deriva (Ineffective Porti and Amount Exclu from Effectivene Testing)**
Interest rate swap	$ (549)	Interest expense	$ (294)	Interest expense

The changes in net gain on cash flow hedges included in accumulated other comprehensive income is as follows (in thous

Balance, August 31, 2008

Net gain for the period
Net gain transferred to earnings

Balance, August 31, 2009

15. New Accounting Pronouncements

a. Recently Adopted Accounting Pronouncements:

On September 1, 2008, the Company adopted FASB Statement No. 159, *The Fair Value Option for Financial Assets and* *an amendment of FASB Statement No. 115* (SFAS 159). SFAS 159 permits entities to choose to measure financial instrum liabilities at fair value on an instrument-by-instrument basis (the fair value option) with changes in fair value reported in e fair value option enables some companies to reduce the volatility in reported earnings caused by measuring related assets and applying the complex hedge accounting requirements under SFAS 133, to achieve similar results. The Company already reco hedging activities at fair value in accordance with SFAS 133. The Company did not elect the fair value option for any other f other financial assets and liabilities that were not previously required to be measured at fair value.

On September 1, 2008, the Company adopted SFAS 157 which defines fair value, establishes a framework for measuring U.S. GAAP and expands disclosures about fair value measurements. Accordingly, SFAS 157 does not require any new fair v provisions of SFAS 157 are effective for fiscal years beginning after November 15, 2007. In February 2008, FASB Staff Posi *FASB Statement No. 157* (FSP 157-2) was issued

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delaying the effective date of SFAS 157 with respect to nonfinancial assets and nonfinancial liabilities that are not remeasure annually), until fiscal years beginning after November 15, 2008. The adoption of the provisions of SFAS 157 during the first have a material impact on the Company s consolidated financial position, results of operations or cash flows, but requires ex regarding the Company s fair value measurements. Refer to Note 8 Notes Payable, Long-Term Debt and Long-Term Lea Postretirement Benefits and Note 14 Derivative Financial Instruments and Hedging Activities for disclosure surround obligations, pension plan assets and derivative financial instruments, respectively.

On September 1, 2008, the Company adopted EITF Issue No. 06-11, *Accounting for Income Tax Benefits of Dividends on* (EITF 06-11). EITF 06-11 requires companies to recognize a realized income tax benefit associated with dividends or divi equity-classified employee share-based payment awards that are charged to retained earnings as an increase to additional paic EITF 06-11 did not have a material impact on the Company s financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS 158 which requires an employer to recognize the overfunded or underfunded s postretirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status occur through comprehensive income. This statement also requires an employer to measure the funded status of a plan as of t of financial position. The requirement to recognize the funded status of a defined benefit postretirement plan was effective as ending after December 15, 2006. The Company has adopted this requirement and the effects are reflected in the financial stat The requirement to measure plan assets and benefit obligations as of the date of the employer s fiscal year-end statement of f fiscal years ending after December 15, 2008, which the Company adopted in fiscal year 2009.

On December 1, 2008, the Company adopted SFAS 161 which changes the disclosure requirements for derivative instrum Company will be required to provide enhanced disclosures about (a) how and why derivative instruments are used, (b) how d hedged items are accounted for under SFAS 133, and its related interpretations, and (c) how derivative instruments and relate Company s results of operations, financial performance, and cash flows. This statement is effective for financial statements i periods beginning after November 15, 2008. The additional disclosures required by SFAS 161 are included in Note 14 De Hedging Activities.

On December 1, 2008, the Company adopted FASB Staff Position No. FAS 140-4 (FSP 140-4) and FASB Interpretatic *Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities*. F enhance disclosure regarding the transfer of financial assets and the use of variable interest entities. Adoption of this standard on the Company s results of operations, financial position or cash flows. Refer to Note 2 Accounts Receivable Securitiza

In May 2009, the FASB issued Statement of Financial Accounting Standards No. 165, Subsequent Events (SFAS 165), establish general standards of accounting for, and disclosures of, events that occur after the balance sheet date but before fina available to be issued. SFAS 165 is effective for interim or fiscal periods ending after June 15, 2009, and is required to be adc in the fourth quarter of fiscal year 2009. The Company adopted this statement in the fourth quarter of fiscal year 2009. The C evaluation of subsequent events through October 22, 2009, which is the date the financial statements were issued.

b. Recently Issued Accounting Pronouncements:

In June 2009, the FASB issued SFAS 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally* (SFAS 168). SFAS 168 replaces SFAS 162, *The Hierarchy of Generally Accepted Accounting Principles,* and establishes Codification (the Codification) as the source of authoritative accounting principles recognized by the FASB. The Codifica nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principl non-SEC accounting and reporting standards. SFAS 168 also identifies the framework for selecting the principles used in pre that are presented in conformity with GAAP. SFAS 168 is effective for financial statements issued for interim and annual per 2009. The Company expects that the adoption of SFAS 168 will not have a material impact on its financial position, results o

In June 2009, the FASB issued SFAS 167, *Amendments to FASB Interpretation No. 46(R)* (SFAS 167). SFAS 167 elim exceptions to consolidating qualifying special-purpose entities, contains new criteria for determining the primary beneficiary, required reassessments to determine whether a company is the primary beneficiary of a variable interest entity. SFAS 167 als that any term, transaction, or arrangement that does not have a substantive effect on an entity s status as a variable interest er variable interest entity, or a company s

obligation to absorb losses or its right to receive benefits of an entity must be disregarded in applying FASB Interpretation 46
of the qualifying special-purpose entity concept and its consolidation exceptions means more entities will be subject to conso
reassessments. SFAS 167 is effective as of the beginning of an enterprise s first fiscal year beginning after November 15, 20
that first period, with earlier adoption prohibited. The Company is currently assessing the potential impacts, if any, on its con

In June 2009, the FASB issued SFAS 166, *Accounting for Transfers of Financial Assets an amendment of FASB Statem*
166 eliminates the concept of a qualifying special-purpose entity, creates more stringent conditions for reporting a transfer of
sale, clarifies other sale-accounting criteria, and changes the initial measurement of a transferor s interest in transferred finan
effective for transfers of financial assets in fiscal years beginning after November 15, 2009, and in interim periods within tho
adoption prohibited. The Company is currently assessing the potential impacts, if any, on its consolidated financial statement

In June 2008, the FASB issued Staff Position EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Pa*
Participating Securities (FSP EITF 03-6-1). FSP EITF 03-6-1 states that unvested share-based payment awards that conta
or dividend equivalents are participating securities as defined in EITF 03-6, *Participating Securities and the Two-Class M*
No. 128, and therefore should be included in computing earnings per share using the two-class method. According to FSP EI
payment award is a participating security when the award includes nonforfeitable rights to dividends or dividend equivalents.
noncontingent transfer of value each time an entity declares a dividend or dividend equivalent during the award s vesting pe
not be considered a participating security if the holder forfeits the right to receive dividends or dividend equivalents in the ev
FSP EITF 03-6-1 is effective for financial statements issued in fiscal years beginning after December 15, 2008, and interim p
adopted, its requirements are applied by recasting previously reported EPS. The Company does not expect the adoption of FS
material impact on its financial position, results of operations or cash flows.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141R, *Business Combinations* (S
assets and liabilities of an acquired business (whether full, partial or step acquisitions) will be recorded at fair value. Certain f
and certain acquired contingencies will be recorded at fair value at the acquisition date. SFAS 141R also states acquisition co
incurred and restructuring costs will be expensed in periods after the acquisition date. The Company will be required to apply
to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period begin
2008 with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. SFAS 1
of SFAS 109 such that adjustments made to valuation allowances on deferred taxes and acquired tax contingencies associated
prior to the effective date of SFAS 141 would also apply the provisions of SFAS 141R. The Company will apply the provisio
combinations with an acquisition date beginning in fiscal year 2010.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in C*
Statements an amendment of ARB No. 51 (SFAS 160). SFAS 160 requires a company to clearly identify and present ow
by parties other than the company in the consolidated financial statements within the equity section but separate from the con
that the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified a
consolidated statement of income; changes in ownership interest be accounted for similarly, as equity transactions; and when
any retained noncontrolling equity investment in the former subsidiary and the gain or loss on the deconsolidation of the subs
This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15,
expect the adoption of SFAS 160 to have a material impact on its financial position, results of operations or cash flows.

16. Subsequent Events

On September 24, 2009, the Company entered into an agreement with an unrelated third-party to sell the operations of Jab
automotive electronics manufacturing subsidiary located in Western Europe. Pending country-specific regulatory approvals a
Company expects to finalize this transaction in the first quarter of fiscal year 2010 and currently anticipates recognizing an es
Consolidated Statement of Operations of approximately $15.0 to $25.0 million, including approximately $4.0 million in trans
in cash.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant ha
signed on its behalf by the undersigned, thereunto duly authorized.

JABIL CIRCUIT, INC.

By: /s/ Timothy L. Main
Timothy L. Main
President and Chief Executive Officer

Date: October 22, 2009

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POWER OF ATTORNEY

KNOW ALL THESE PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes an
Forbes I.J. Alexander and each of them, jointly and severally, his attorneys-in-fact, each with full power of substitution, for h
sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other docur
with the Securities and Exchange Commission, hereby ratifying and confirming all that each said attorneys-in-fact or his subs
cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following p
Registrant and in the capacities and on the dates indicated:

Signature	Title	Date
By: /s/ William D. Morean **William D. Morean**	Chairman of the Board of Directors	October 22, 2009
By: /s/ Thomas A. Sansone **Thomas A. Sansone**	Vice Chairman of the Board of Directors	October 22, 2009
By: /s/ Timothy L. Main **Timothy L. Main**	President, Chief Executive Officer and Director (Principal Executive Officer)	October 22, 2009
By: /s/ Forbes I.J. Alexander **Forbes I.J. Alexander**	Chief Financial Officer (Principal Financial and Accounting Officer)	October 22, 2009
By: /s/ Mel S. Lavitt **Mel S. Lavitt**	Director	October 22, 2009
By: /s/ Lawrence J. Murphy **Lawrence J. Murphy**	Director	October 22, 2009
By: /s/ Frank A. Newman **Frank A. Newman**	Director	October 22, 2009
By: /s/ Steven A. Raymund **Steven A. Raymund**	Director	October 22, 2009
By: /s/ David M. Stout **David M. Stout**	Director	October 22, 2009
By: /s/ Kathleen A. Walters **Kathleen A. Walters**	Director	October 22, 2009

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JABIL CIRCUIT, INC. AND SUBSIDIARIES
SCHEDULE OF VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

	Balance at beginning of period	Additions charged to costs and expenses	W
Allowance for uncollectible trade accounts receivable:			
Fiscal year ended August 31, 2009	$ 10,116	$ 8,450	$
Fiscal year ended August 31, 2008	$ 10,559	$ 3,316	$
Fiscal year ended August 31, 2007	$ 5,801	$ 7,974	$

	Balance at beginning of period	Additions charged to costs and expenses	Additions charged to other accounts	Re
Valuation allowance for deferred taxes:				
Fiscal year ended August 31, 2009	$ 121,008	$ 308,560	$ 4,835	$
Fiscal year ended August 31, 2008	$ 117,275	$ 5,002	$ 61	$
Fiscal year ended August 31, 2007	$ 43,497	$ 6,726	$ 72,634	$

See accompanying report of independent registered public accounting firm.

EXHIBIT INDEX

Exhibit No.	Description
3.1(4)	Registrant s Certificate of Incorporation, as amended.
3.2(15)	Registrant s Bylaws, as amended.
4.1(2)	Form of Certificate for Shares of the Registrant s Common Stock.
4.2(6)	Rights Agreement, dated as of October 19, 2001, between the Registrant and EquiServe Trust the form of the Certificate of Designation as Exhibit A, form of the Rights Certificate as Exhi Rights as Exhibit C.
4.3(9)	Senior Debt Indenture, dated as of July 21, 2003, with respect to the Senior Debt of the Regis The Bank of New York, as trustee.
4.4(9)	First Supplemental Indenture, dated as of July 21, 2003, with respect to the 5.875% Senior No between the Registrant and The Bank of New York, as trustee.
4.5(16)	Indenture, dated January 16, 2008, with respect to the 8.250% Senior Notes, by the Registrant Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N
4.6 (17)	Form of 8.250% Registered Senior Notes issued on July 18, 2008.
4.7 (18)	Form of 7.750% Registered Senior Notes issued on August 11, 2009.
4.8 (18)	Officer s Certificate of the Registrant pursuant to the Indenture, dated August 11, 2009.
10.1(3)(5)	1992 Stock Option Plan and forms of agreement used thereunder, as amended.
10.2(1)(3)	Restated cash or deferred profit sharing plan under section 401(k).
10.3(1)(3)	Form of Indemnification Agreement between the Registrant and its Officers and Directors.
10.4(3)(7)	Jabil 2002 Employment Stock Purchase Plan.
10.5(3)	Jabil 2002 Stock Incentive Plan.
10.5a(11)	Form of Jabil Circuit, Inc. 2002 Stock Incentive Plan Stock Option Agreement.
10.5b(11)	Form of Jabil Circuit, Inc. 2002 Stock Incentive Plan-French Subplan Stock Option Agreeme
10.5c(11)	Form of Jabil Circuit, Inc. 2002 Stock Incentive Plan-UK Subplan CSOP Option Certificate.
10.5d(11)	Form of Jabil Circuit, Inc. 2002 Stock Incentive Plan-UK Subplan Stock Option Agreement.
10.5e(12)	Form of Jabil Circuit, Inc. Restricted Stock Award Agreement (prior form).
10.5f	Form of Jabil Circuit, Inc. Restricted Stock Award Agreement (current form).

10.5g(13)	Form of Stock Appreciation Right Agreement.
10.6(3)(10)	Addendum to the Terms and Conditions of the Jabil Circuit, Inc. 2002 Stock Incentive Plan fo
10.7(3)(8)	Schedule to the Jabil Circuit, Inc. 2002 Stock Incentive Plan for Grantees Resident in the Uni
10. 8(14)	Amended and Restated Five-Year Unsecured Revolving Credit Agreement dated as of July 1 initial lenders and initial issuing banks named therein; Citicorp USA, Inc. as administrative a N.A. as syndication agent; and The Royal Bank of Scotland PLC, Royal Bank of Canada, Ba Finance LLC and Credit Suisse, Cayman Islands Branch as co-documentation agents.
10.9 (19)	Underwriting Agreement, dated July 31, 2009, between Jabil Circuit, Inc., J.P. Morgan Secur underwriters listed therein.
21.1	List of Subsidiaries.
23.1	Consent of Independent Registered Public Accounting Firm.

Exhibit No.	Description
24.1	Power of Attorney (See Signature page).
31.1	Rule 13a-14(a)/15d-14(a) Certification by the President and Chief Executive Officer of the Re
31.2	Rule 13a-14(a)/15d-14(a) Certification by the Chief Financial Officer of the Registrant.
32.1	Section 1350 Certification by the President and Chief Executive Officer of the Registrant.
32.2	Section 1350 Certification by the Chief Financial Officer of the Registrant.

(1) Incorporated by reference to the Registration Statement on Form S-1 filed by the Registrant on March 3, 1993 (File No. 33-58974).

(2) Incorporated by reference to exhibit Amendment No. 1 to the Registration Statement on Form S-1 filed by the Registrant on March 17, 1993 (File No. 33-58974).

(3) Indicates management compensatory plan, contract or arrangement.

(4) Incorporated by reference to the Registrant s Quarterly Report on Form 10-Q for the quarter ended February 29, 2000.

(5) Incorporated by reference to the Registration Statement on Form S-8 (File No. 333-37701) filed by the Registrant on October 10, 1997.

(6) Incorporated by reference to the Registrant s Form 8-A (File No. 001-14063) filed October 19, 2001.

(7) Incorporated by reference to the Registrant s Form S-8 (File No. 333-98291) filed by the Registrant on August 16, 2002.

(8) Incorporated by reference to the Registrant s Form S-8 (File No. 333-98299) filed by the Registrant on August 16, 2002.

(9) Incorporated by reference to the Registrant s Current Report on Form 8-K filed by the Registrant on July 21, 2003.

(10) Incorporated by reference to the Registrant s Form S-8 (File No. 333-106123) filed by the Registrant on June 13, 2003.

(11) Incorporated by reference to the Registrant s Annual Report on Form 10-K for the fiscal year ended August 31,

2004.

(12) Incorporated by reference to the Registrant s Quarterly Report on Form 10-Q for the quarter ended February 28, 2006.

(13) Incorporated by reference to the Registrant s Annual Report on Form 10-K for the fiscal year ended August 31, 2005.

(14) Incorporated by reference to the Registrant s Annual Report on Form 10-K for the fiscal year ended August 31, 2007.

(16) Incorporated by reference to the Registrant s Current Report on Form 8-K filed by the Registrant on October 29, 2008.

(16) Incorporated by reference to the Registrant s Current Report on Form 8-K filed by the Registrant on January 17, 2008.

(17) Incorporated by reference to the Registrant s Annual Report on

Form 10-K for the fiscal year ended August 31, 2008.

(18) Incorporated by reference to the Registrant s Current Report on Form 8-K filed by the Registrant on August 12, 2009.

(19) Incorporated by reference to the Registrant s Current Report on Form 8-K filed by the Registrant on August 4, 2009.