ANNUAL REPORT 2015

JABIL

DEAR SHAREHOLDERS, EMPLOYEES AND PARTNERS:

Fiscal 2015 was a great year for Jabil and I was extremely pleased with our accomplishments as an organization. Our year was highlighted by strong growth, solid financial results and an enhanced set of capabilities that will better allow us to further leverage powerful global trends impacting the markets we serve.

Net revenue in fiscal 2015 grew by 14 percent to $17.9 billion. Core operating income* and core diluted earnings per share* grew at even quicker rates to $670 million and $2.07, respectively. All of these efforts culminated in $1.24 billion in cash flow from operations, offering us the financial flexibility to strengthen the core of our business and return funds to shareholders via dividends and share buybacks.

As anticipated, the growth in our business was largely driven by strong results in Diversified Manufacturing Services (DMS), as our team performed exceptionally well against a favorable backdrop of end-markets that include mobility, consumer lifestyles, healthcare and consumer packaging. Today, our DMS business stands at $7 billion in revenue and represents a wide array of products. Looking ahead, I believe this business is uniquely positioned to generate further growth and diversity for our company as we leverage tremendous levels of engineering aptitude to drive innovation in the areas of material sciences, precision machining and tooling.

Our Electronics Manufacturing Services (EMS) team delivered strong results, as well. Pacing at approximately $11 billion in annual revenue, our EMS business grew modestly and improved profitability as we enhanced our value proposition. We accomplished this by addressing real problems and providing innovative solutions. The build-to-print days are largely gone for EMS providers. Today, our customers rely on us to provide them with an intelligent supply chain that accelerates their speed-to-market, improves quality and manages potential disruptions effectively. I believe we made solid progress towards delivering those solutions in 2015.

Moving forward, Jabil must embrace an unprecedented rate of change as the world is evolving at a frenetic pace. The aging global population and growing middle class are driving the need for improved healthcare solutions. As a result, advances in technology will enable medical devices to become smaller, easier to use and more accurate. Similarly, trends towards rapid urbanization are changing longstanding beliefs around transportation and distributed energy. Consequently, the auto and alternative energy markets are radically shifting focus. Looking forward, everything will be mobile, everything will be connected and everything will be measured, driving the need for better infrastructure; efficient data management and analysis; and ubiquitous access to cloud services.

1

CREATE A **SAFE** AND **MEANINGFUL** WORK ENVIRONMENT

2

PROVIDE **EXCEPTIONAL CUSTOMER SERVICE**

Fiscal 2015 was highlighted by strong growth, solid financial results and an expanded set of valuable capabilities. As Jabil approaches its 50th year in business, I'm excited to see what our team can accomplish over the coming years in partnership with 250 of the most innovative brands in the world.

All of these trends play right into Jabil's favor as they necessitate the need for better solutions and advanced manufacturing. The challenge, I believe, will be maintaining an equal level of focus on delivering innovative solutions to meet these needs of the brands that will ultimately change the world we live in. For that reason, it's critical for us to re-invest in our business and build upon the solutions we provide.

In fact, the progress we've made in advancing our capabilities led to the opening of our Jabil Blue Sky Center in San Jose. This energetic think tank displays a collection of Jabil's capabilities all under one roof. It offers an environment for enhanced collaboration, where our partners can truly touch and feel what we do each and every day.

Simply stated, my management team and I are focused on ensuring Jabil's success for many years to come. With long-term success in mind, it's worth pointing out that Jabil will be celebrating its 50th year as a company in 2016. Over the past five decades, the markets we have served and the offerings we have provided have changed and become more complex. However, our focus has remained consistent.

As we begin a new fiscal year, I would like to reiterate our focus:

- Create a safe and meaningful work environment
- Provide exceptional customer service
- Enhance and expand our capabilities
- Deliver growth

In closing, I would like to thank our nearly 180,000 employees worldwide for your dedication and commitment. Together, we're bringing forth innovative solutions that not only allow our customers to succeed, but also align with the incredible secular tailwinds that will drive our business for years to come.

Thank you for your support of Jabil.

Yours Truly,

Mark T. Mondello,
Chief Executive Officer

** This letter uses non-GAAP financial metrics. Please refer to "Management's Discussion & Analysis – Non-U.S. GAAP Core Financial Measures" on pages 46 and 47 of our Annual Report on Form 10-K, filed on October 16, 2015, for reconciliations of core operating income and core earnings per share to the most directly comparable U.S. GAAP financial measures.*

3

ENHANCE AND EXPAND **OUR CAPABILITIES**

4

DELIVER **GROWTH**

Doing What's Right

... is a driving force in our culture

Jabil's success starts with its people. Our global workforce of nearly 180,000 talented, dedicated employees across 27 countries drives our success. Aligned by our core values of Integrity, Inspiration and Ingenuity, we work to promote a culture of inclusiveness and we encourage our employees to act ethically, maintain a safe workplace and treat each other with respect.

Educate. Mentor. Connect.

Safety First

Taking great care of our employees by creating a safe and meaningful work environment has been a consistent focus at Jabil. In Fiscal Year 2015 Jabil strengthened its focus on having a safe workplace by asking all leaders to prioritize safety. We have elevated the visibility of safety and are driving meaningful engagement in safety at all levels. The goal is to ensure that everyone goes home safely, every day. Typical of Jabil's culture of accountability, many plants have taken this directive and created safety awareness campaigns unique to local cultures so that the message resonates with employees. Strong technical support, leadership engagement and hard work by operations teams are all making a difference.

Respect. Recognize. Reward.

At Jabil, we believe that every employee can and should make a difference to our company. Jabil's quarterly global employee recognition program highlights employees from all locations, departments and levels for superior performance and commitment in helping others realize their full potential. This program, which recognizes more than 200 employees each quarter, empowers employees, builds loyalty and commitment, and lets employees know that their actions positively impact our business.

Community Involvement

Driven by our employees and their understanding of local needs, we engage communities through a combination of volunteer efforts, charitable giving and strategic collaboration with community organizations. Thousands of our employees volunteer hundreds of thousands of hours each year to make their communities and the environment a better place.

Jabil believes different viewpoints from diverse teams are the foundation of our company's longevity. We are committed to cultivating a workplace that promotes and supports the opportunities of our diverse global workforce with initiatives that focus on our employees' unique needs from disability to wellness.

Diversity contributes to our competitiveness and innovation. Our Jabil Joules program champions the business benefits of gender balance; challenges organizational barriers; and endeavors to expand the representation of women in leadership and operations. Global Jabil Joules programs were introduced in 2015 and are gaining momentum in helping women live up to their full career potential.

One of the greatest professional and personal experiences I've ever had. I really can tell that my work at Jabil is meaningful, and I've learned that there are a lot of people working to make a difference.

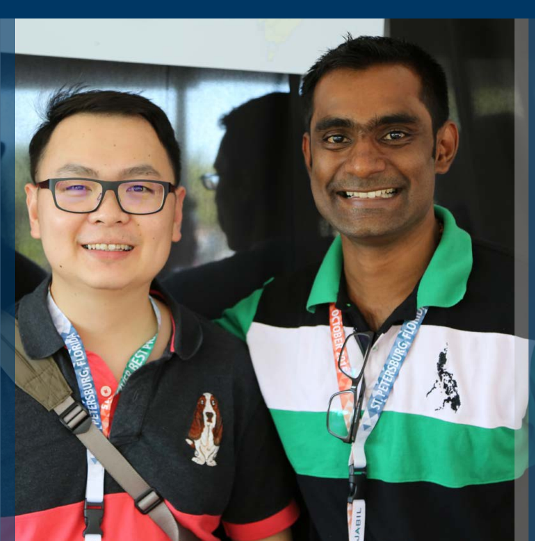
– 2015 Finalist

St. Petersburg, Florida, USA – Created best-in-class planning system reducing weekly process time by 30%.

Guadalajara, Mexico – Increased gender diversity by giving women the tools and additional leadership training to advance their careers.

Celebrating our Culture of Ingenuity

...innovation, lean and sharing best practices



Deliver Best Practices is Jabil's annual global continuous improvement challenge which recognizes process advancements. This year's finalists traveled to Jabil's headquarters to participate in team-building cultural activities and coaching sessions to present to Jabil's executives and Board of Directors.

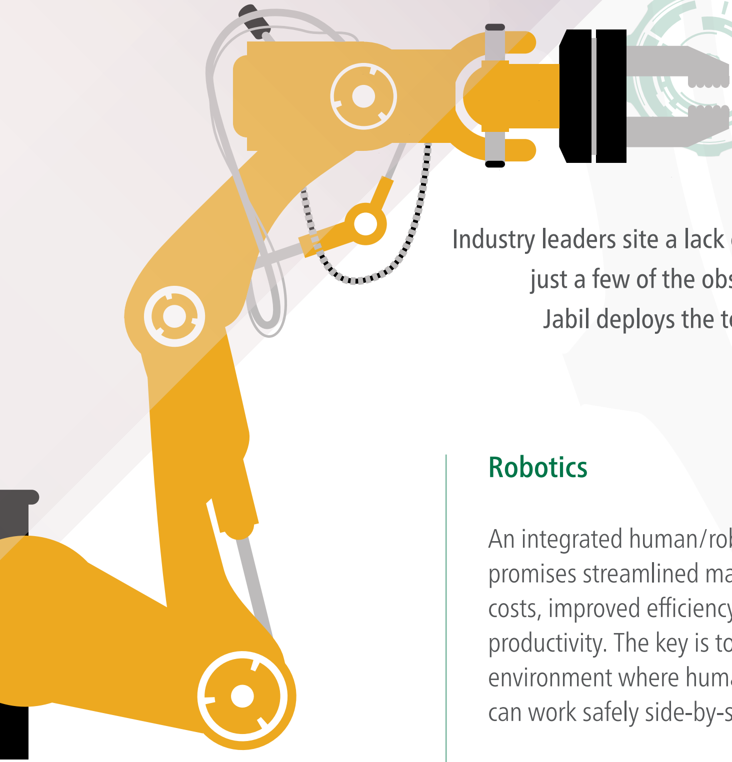
While the heart of the competition is an opportunity for our employees to showcase their ingenuity and dedication to Lean, the program also allows them to make professional and personal improvements, such as acquiring new skills and knowledge, improving teamwork and getting greater visibility for their projects among their peers and senior executives.

Over the past seven years, Jabil teams have submitted more than 5,000 projects in four categories: Customer Satisfaction, Human Development, Operational Excellence and Social & Environmental Responsibility. These talented teams are solving difficult challenges and helping make Jabil a better company for all our employees, customers, shareholders and communities.

In 2015 Jabil received external accolades for the competition. For the second consecutive year, the Institute of Industrial Engineers named Jabil teams as finalists for their Lean Division Best Practice Award. In addition, the International Association of Business Communicators recognized Jabil's Deliver Best Practices competition with a 2015 Gold Quill Merit Award for "Special Internal Events."

Building Capabilities

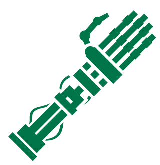
...creating strategic advantage



Industry leaders site a lack of flexibility, the cost of production changes and manual processes as just a few of the obstacles to bringing innovative products to market quickly and reliably. Jabil deploys the technologies that solve these challenges and create the most strategic manufacturing advantages for our customers.

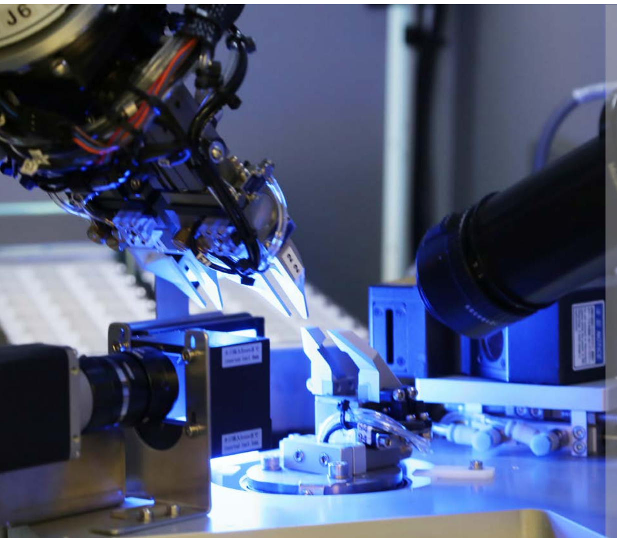
Robotics

An integrated human/robot workforce promises streamlined manufacturing costs, improved efficiency and greater productivity. The key is to create a safe environment where humans and robots can work safely side-by-side.



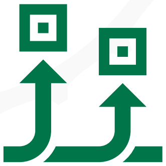
Predictive Supply Chain Analytics

Jabil developed proprietary and patent pending Jabil InControl, an enterprise-wide analytics platform that helps Jabil manage increasing complexity, integrate often siloed functions, and provide actionable insights and visibility.



Manufacturing Automation

Automation enables manufacturers to respond to industry pressures for new, personalized products in an ethically sustainable manner while improving quality and reducing time-to-market.



Miniaturization

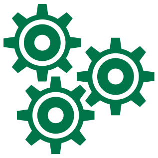
Reducing component size to create less space, product footprint and more affordable devices are ongoing objectives for hardware companies today across multiple industries.

Digital Prototyping

Jabil's newest digital prototyping facility in the heart of Silicon Valley caters to both existing customers who want a quick proof-of-concept, as well as entrepreneurs who need prototypes of their new inventions.

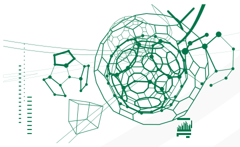
Machine-to-Machine Telemetry

Machine designers are facing an overriding design mandate: connectivity. Jabil engineers design telematics technology into equipment and products that enables vital data from the machine flow to those responsible for maintenance, inventory control, marketing, energy management and more.



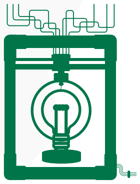
Virtual Reality Design and Prototyping

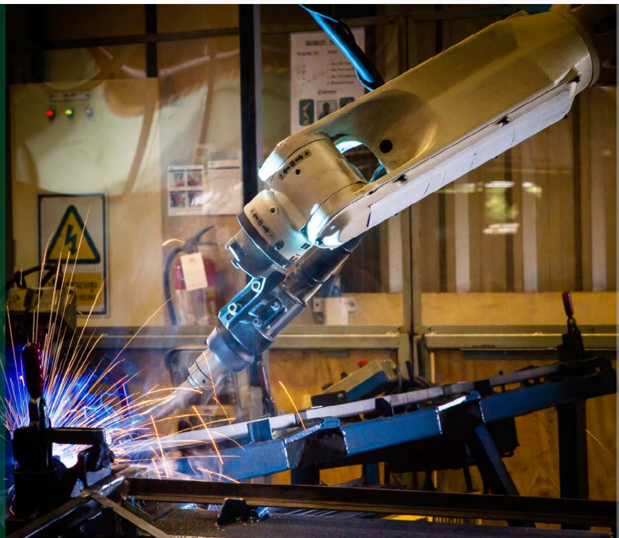
Virtual Reality is the three dimensional interactive world produced by a computer. Several factors point to significant growth over the next several years, invigorating adjacent markets and even creating new ones.



3D Printing

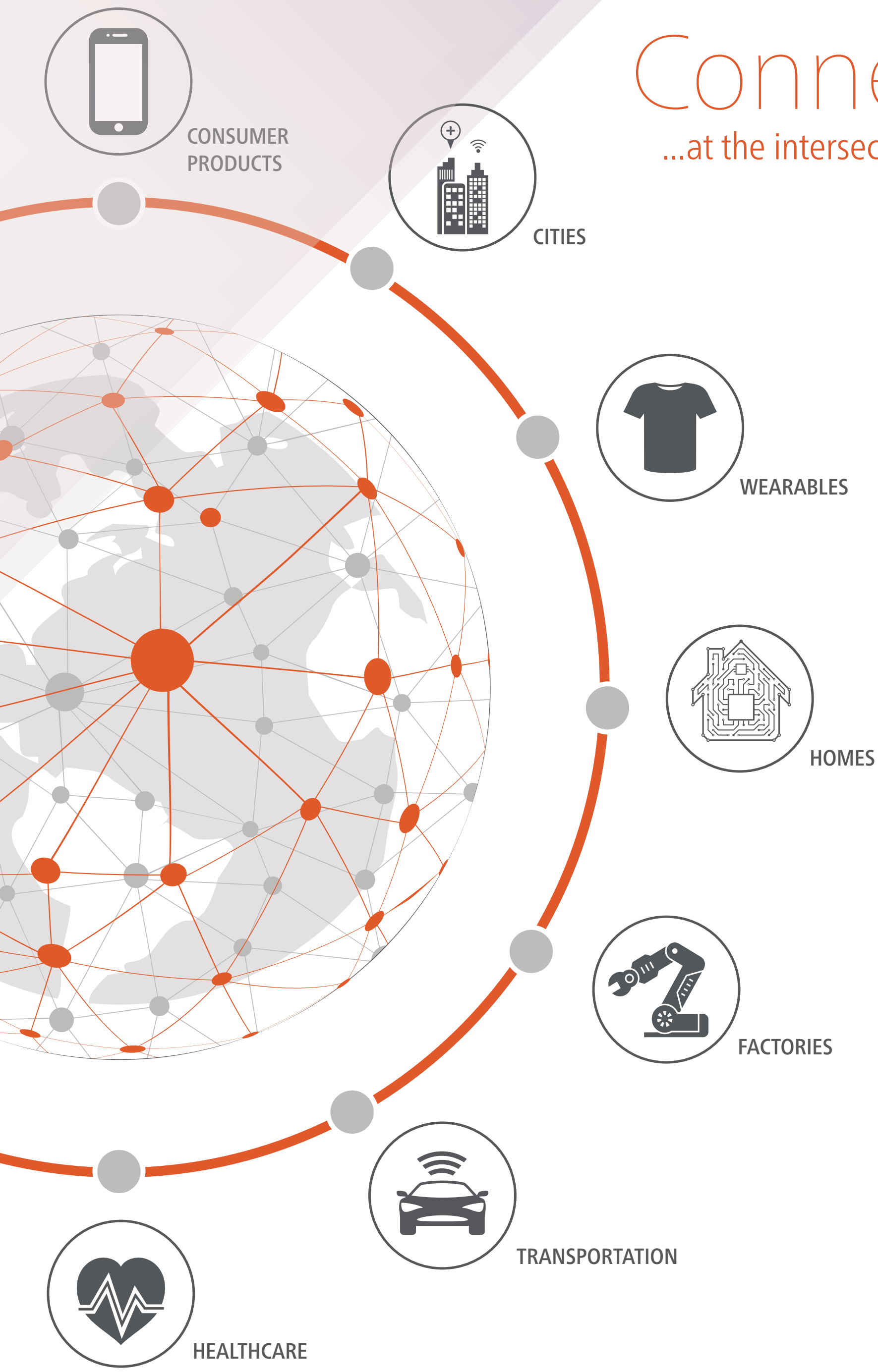
Companies large and small that previously used custom machine tools to build early prototypes of new parts are now turning to 3D printing technology to design and test engineers' newest ideas.





Powering a Connected World

...at the intersection of devices, data and infrastructure



The world continues its intense pursuit of smarter, more connected living. By 2020, there could be 50 billion things connected to the Internet ranging from automobiles, to appliances, clothing and jewelry.

All this digital communication will generate an economic value of $19 trillion.

But, to reach a truly digital age, the fragmented Internet of Things (IoT) systems of key segments such as transportation, commercial buildings, hospitality, retail and industrial sites must be refined into sophisticated and scalable networks.

This is where the deep experience, global reach and unique capabilities of Jabil help bring value to our customers, in areas including:

- Product Ideation and Creation
- Technologies Powering Connected Hardware Manufacturing
- Architect, Accelerate and De-Risk the Connected Supply Chain
- Industry-Agnostic Ecosystem Integrator

Our talented brand and product strategists, researchers, designers, engineers and implementation professionals translate strategy into breakthrough product solutions and introductions that help customers gain competitive advantage.

Jabil helps enable the hardware that supports the infrastructure of a connected world. We are a leading manufacturer of technologies like optics, wearables and unique sensor solutions that drive connection-enabled solutions in multiple industries, including healthcare, wellness and automotive.

By managing a complex supply chain of over 17,000 suppliers globally, Jabil drives buying power and uses proprietary tools that bring actionable data and insights via deep analytics and visualization. This gives Jabil a powerful advantage in identifying and leveraging evolving connectivity trends.

Over 50 years of design, manufacturing and supply chain management across 250+ customers and more than a dozen markets has positioned Jabil as an innovation partner for some of the world's biggest brands looking to be at the leading-edge of the IoT ecosystem.

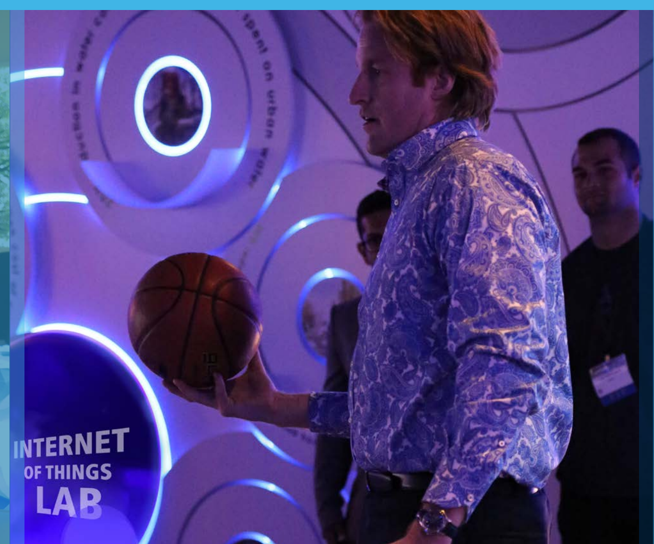
Unlocking the Future

...creating, cultivating and incubating new ideas

opened in

April 2015

San Jose, California



By leveraging collaborative, interactive spaces in the heart of Silicon Valley, the Jabil Blue Sky Center enables our customers, partners, prospects and employees to engineer growth and establish market leadership in an environment of rapid change. At the forefront of our technological efforts, the Jabil Blue Sky Center showcases some of the world's cutting-edge technologies such as "Factory of the Future" capabilities like automation, as well as product ideation and design, intelligent digital supply chain and the Internet of Things.

Unlocking Inspiration

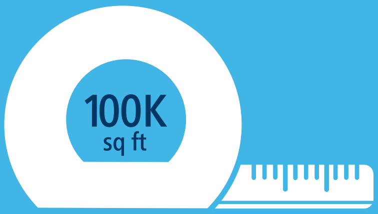
by elevating engagement with some of the world's leading minds in engineering, science and manufacturing

Unlocking Ingenuity

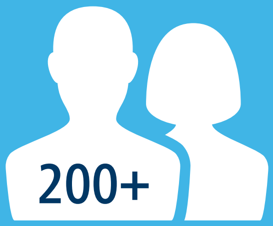
by giving our employees an environment that facilitates collaboration, inspires ingenuity and brings increased value to our customers and shareholders

Unlocking Innovation

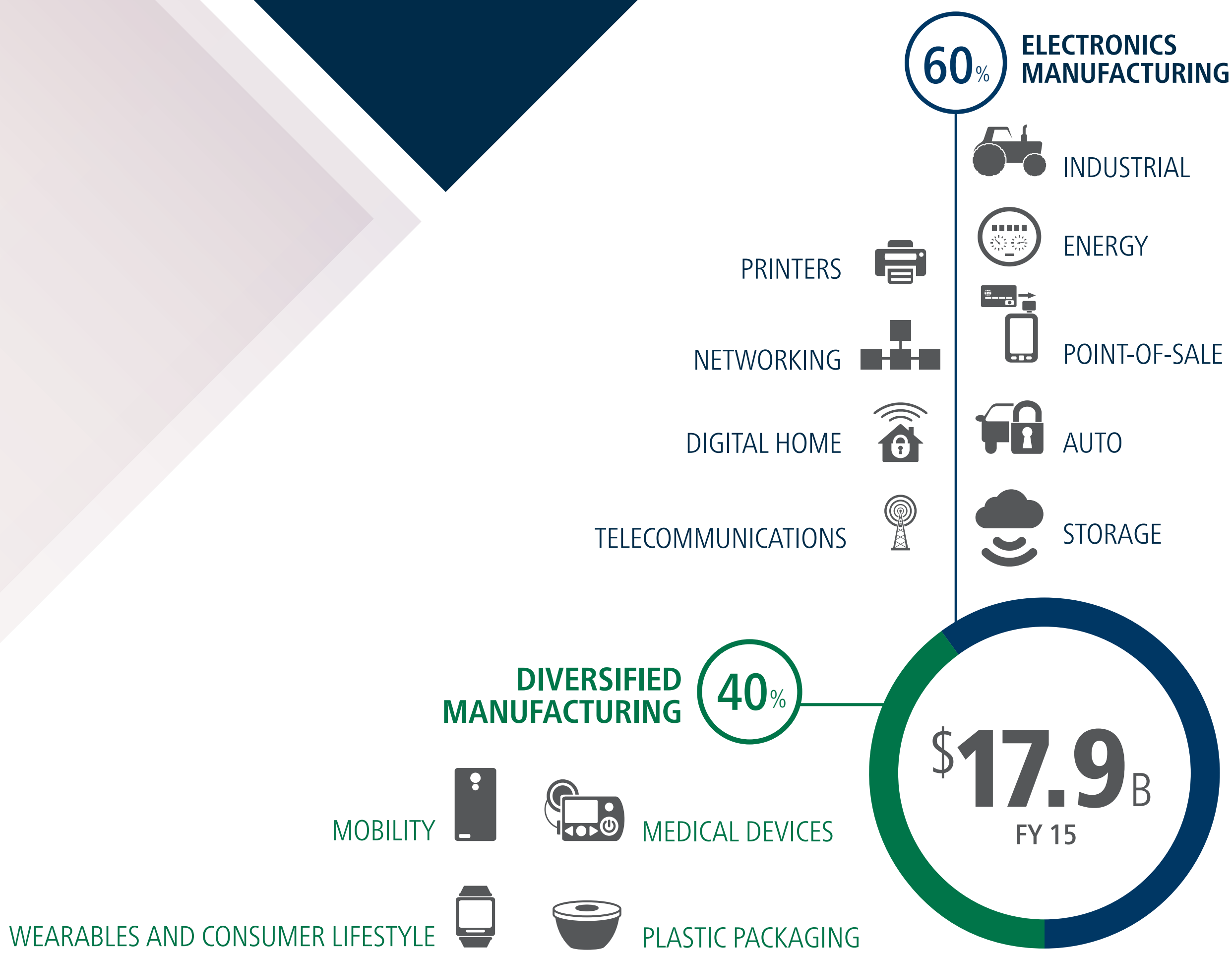
by helping customers solve business challenges; enabling them to focus their time, capital and resources; and safeguarding their competitive advantage



of collaboration, design and rapid prototyping space



customer engagements



Fiscal years 2010 through 2015 exclude revenues from Jabil's aftermarket services business. On April 1, 2014, Jabil completed the sale of the aftermarket services business except for the Malaysian operations, for which the sale was completed on December 31, 2014.

TODAY, JABIL SHIPS APPROXIMATELY

$60

MILLION WORTH

OF PRODUCTS EACH DAY

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark one)

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

For the fiscal year ended August 31, 2015

or

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

For the transition period from to

Commission file number 001-14063

JABIL CIRCUIT, INC.

(Exact name of registrant as specified in its charter)

Delaware	**38-1886260**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

10560 Dr. Martin Luther King, Jr. Street North, St. Petersburg, Florida 33716

(Address of principal executive offices) (Zip Code)

(727) 577-9749

Registrant's telephone number, including area code

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

Title of each class	Name of each exchange on which registered
Common Stock, $0.001 par value per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant based on the closing sale price of the Common Stock as reported on the New York Stock Exchange on February 27, 2015 was approximately $4.1 billion. For purposes of this determination, shares of Common Stock held by each officer and director and by each person who owns 10% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes. The number of outstanding shares of the registrant's Common Stock as of the close of business on October 6, 2015, was 189,273,241. The registrant does not have any non-voting stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant's definitive Proxy Statement for the 2015 Annual Meeting of Stockholders scheduled to be held on January 21, 2016 is incorporated by reference in Part III of this Annual Report on Form 10-K to the extent stated herein.

JABIL CIRCUIT, INC. AND SUBSIDIARIES

2015 FORM 10-K ANNUAL REPORT

TABLE OF CONTENTS

References in this report to "the Company," "Jabil," "we," "our," or "us" mean Jabil Circuit, Inc. together with its subsidiaries, except where the context otherwise requires. This Annual Report on Form 10-K contains certain statements that are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") which are made in reliance upon the protections provided by such acts for forward-looking statements. These forward-looking statements (such as when we describe what "will," "may," or "should" occur, what we "plan," "intend," "estimate," "believe," "expect" or "anticipate" will occur, and other similar statements) include, but are not limited to, statements regarding future sales and operating results, potential risks pertaining to these future sales and operating results, future prospects, anticipated benefits of proposed (or future) acquisitions, dispositions and new facilities, growth, the capabilities and capacities of business operations, any financial or other guidance and all statements that are not based on historical fact, but rather reflect our current expectations concerning future results and events. We make certain assumptions when making forward-looking statements, any of which could prove inaccurate, including, but not limited to, statements about our future operating results and business plans. Therefore, we can give no assurance that the results implied by these forward-looking statements will be realized. Furthermore, the inclusion of forward-looking information should not be regarded as a representation by the Company or any other person that future events, plans or expectations contemplated by the Company will be achieved. The ultimate correctness of these forward-looking statements is dependent upon a number of known and unknown risks and events, and is subject to various uncertainties and other factors that may cause our actual results, performance or achievements to be different from any future results, performance or achievements expressed or implied by these statements. The following important factors, among others, could affect future results and events, causing those results and events to differ materially from those expressed or implied in our forward-looking statements:

- *business conditions and growth or declines in our customers' industries, the electronic manufacturing services industry and the general economy;*
- *variability of our operating results;*
- *our dependence on a limited number of major customers;*
- *any potential future termination, or substantial winding down, of significant customer relationships;*
- *availability of components;*
- *our dependence on certain industries;*
- *the susceptibility of our production levels to the variability of customer requirements, including seasonal influences on the demand for certain end products;*
- *our substantial international operations, and the resulting risks related to our operating internationally, including weak global economic conditions, instability in global credit markets, governmental restrictions on the transfer of funds to us from our operations outside the U.S. and unfavorable fluctuations in currency exchange rates;*
- *the potential consolidation of our customer base, and the potential movement by some of our customers of a portion of their manufacturing from us in order to more fully utilize their excess internal manufacturing capacity;*
- *our ability to successfully negotiate definitive agreements and consummate acquisitions, and to integrate operations following the consummation of acquisitions;*
- *our ability to successfully negotiate definitive agreements and consummate dispositions, and to disentangle operations following the consummation of dispositions;*
- *our ability to take advantage of our past, current and possible future restructuring efforts to improve utilization and realize savings and whether any such activity will adversely affect our cost structure, our ability to service customers and our labor relations;*

- *our ability to maintain our engineering, technological and manufacturing process expertise;*
- *other economic, business and competitive factors affecting our customers, our industry and our business generally; and*
- *other factors that we may not have currently identified or quantified.*

For a further list and description of various risks, relevant factors and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, see the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections contained in this document, and any subsequent reports on Form 10-Q and Form 8-K, and other filings with the Securities and Exchange Commission ("SEC"). Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.

All forward-looking statements included in this Annual Report on Form 10-K are made only as of the date of this Annual Report on Form 10-K, and we do not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur, or of which we hereafter become aware. You should read this document and the documents that we incorporate by reference into this Annual Report on Form 10-K completely and with the understanding that our actual future results may be materially different from what we expect. We may not update these forward-looking statements, even if our situation changes in the future. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

PART I

Item 1. Business

The Company

We are one of the leading providers of worldwide electronic manufacturing services and solutions. We provide comprehensive electronics design, production and product management services to companies in the automotive, consumer lifestyles and wearable technologies, defense and aerospace, digital home, emerging growth, healthcare, industrial and energy, mobility, networking and telecommunications, packaging, point of sale, printing and storage industries. We serve our customers primarily with dedicated business units that combine highly automated, continuous flow manufacturing with advanced electronic design and design for manufacturability. We currently depend, and expect to continue to depend, upon a relatively small number of customers for a significant percentage of our revenue, net of estimated return costs ("net revenue"). Based on net revenue, for the fiscal year ended August 31, 2015, our largest customers include Apple, Inc., Cisco Systems, Inc., LM Ericsson Telephone Company, General Electric Company, Hewlett-Packard Company, Ingenico S.A., NetApp, Inc., Sony Mobile Communications, Inc., Valeo S.A. and Zebra Technologies Corporation. For the fiscal year ended August 31, 2015, we had net revenues of approximately $17.9 billion and net income attributable to Jabil Circuit, Inc. of approximately $284.0 million.

We offer our customers comprehensive electronics design, production and product management services that are responsive to their manufacturing and supply chain management needs. Our business units are capable of providing our customers with varying combinations of the following services:

- integrated design and engineering;
- component selection, sourcing and procurement;
- automated assembly;
- design and implementation of product testing;

- parallel global production;
- enclosure services;
- systems assembly, direct order fulfillment and configure to order; and
- injection molding, metal, plastics, precision machining and automation.

We currently conduct our operations in facilities that are located in Austria, Belgium, Brazil, Canada, China, Finland, France, Germany, Hungary, India, Ireland, Israel, Italy, Japan, Malaysia, Mexico, The Netherlands, Poland, Russia, Scotland, Singapore, South Korea, Spain, Taiwan, Ukraine, the U.S. and Vietnam. Our global manufacturing production sites allow customers to manufacture products simultaneously in the optimal locations for their products. Our services allow customers to reduce manufacturing costs, improve supply-chain management, reduce inventory obsolescence, lower transportation costs and reduce product fulfillment time. Our global presence is key to assessing our business opportunities.

As of September 1, 2014, we are reporting our business in the following two segments: Electronics Manufacturing Services ("EMS") and Diversified Manufacturing Services ("DMS"). Our EMS segment is focused around leveraging IT, supply chain design and engineering, technologies largely centered on core electronics, sharing of our large scale manufacturing infrastructure and the ability to serve a broad range of end markets. Our EMS segment includes customers primarily in the automotive, digital home, industrial and energy, networking and telecommunications, point of sale, printing and storage industries. Our DMS segment is focused on providing engineering solutions and a focus on material sciences and technologies. Our DMS segment includes customers primarily in the consumer lifestyles and wearable technologies, defense and aerospace, emerging growth, healthcare, mobility and packaging industries.

Our principal executive offices are located at 10560 Dr. Martin Luther King, Jr. Street North, St. Petersburg, Florida 33716, and our telephone number is (727) 577-9749. We were incorporated in Delaware in 1992. Our website is located at http://www.jabil.com. Through a link on the "Investors" section of our website, we make available the following financial filings as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC: our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. All such filings are available free of charge. Information contained in our website, whether currently posted or posted in the future, is not a part of this document or the documents incorporated by reference in this document.

Industry Background

The industry in which we operate has historically been composed of companies that provide a range of design and manufacturing services to companies that utilize electronics components. The industry experienced rapid change and growth through the 1990s as an increasing number of companies chose to outsource an increasing portion, and, in some cases, all of their manufacturing. In mid-2001, the industry's revenue declined as a result of significant cut-backs in customer production requirements, which was consistent with the overall downturn in the technology sector. In response to this downturn in the technology sector, we implemented restructuring programs to reduce our cost structure and align our manufacturing capacity with the geographic production demands of our customers. Industry revenues generally began to stabilize in 2003 and companies began to turn more to outsourcing versus internal manufacturing. In addition, the number of industries serviced, as well as the market penetration in certain industries, by electronic manufacturing service providers has increased over the past several years. In mid-2008, the industry's revenue declined when a deteriorating macro-economic environment resulted in illiquidity in global credit markets and a significant economic downturn in the North American, European and Asian markets. In response to this downturn, and the termination of our business relationship with BlackBerry Limited, we implemented additional restructuring programs, including the restructuring plans that were approved by our Board of Directors in fiscal year 2014 (the "2014 Restructuring Plan") and in fiscal year 2013 (the "2013 Restructuring Plan"), to reduce our cost structure and further align our manufacturing capacity with the geographic production demands of our customers.

We will continue to monitor the current economic environment and its potential impact on both the customers that we serve as well as our end-markets and closely manage our costs and capital resources so that we can respond appropriately as circumstances continue to change. Over the longer term, however, we believe the factors driving our customers and potential customers to utilize our industry's services include:

- ***Reduced Product Cost.*** Manufacturing service providers are often able to manufacture products at a reduced total cost to companies. These cost advantages result from higher utilization of capacity because of diversified product demand and, generally, a greater focus on elements of manufacturing cost.

- ***Accelerated Product Time-to-Market and Time-to-Volume.*** Manufacturing service providers are often able to deliver accelerated production start-ups and achieve high efficiencies in transferring new products into production. Providers are also able to more rapidly scale production for changing markets and to position themselves in global locations that serve the leading world markets. With increasingly shorter product life cycles, these key services allow new products to be sold in the marketplace in an accelerated time frame.

- ***Access to Advanced Design and Manufacturing Technologies.*** Customers gain access to additional advanced technologies in manufacturing processes, as well as product and production design. Product and production design services may offer customers significant improvements in the performance, cost, time-to-market and manufacturability of their products.

- ***Improved Inventory Management and Purchasing Power.*** Manufacturing service providers are often able to more efficiently manage both procurement and inventory, and have demonstrated proficiency in purchasing components at improved pricing due to the scale of their operations and continuous interaction with the materials marketplace.

- ***Reduced Capital Investment in Manufacturing.*** Companies are increasingly seeking to lower their investment in inventory, facilities and equipment used in manufacturing in order to allocate capital to other activities such as sales and marketing and research and development ("R&D"). This strategic shift in capital deployment has contributed to increased demand for and interest in outsourcing to external manufacturing service providers.

Our Strategy

We are focused on expanding our position as one of the leading providers of worldwide electronic manufacturing services and solutions. To achieve this objective, we continue to pursue the following strategies:

- ***Establish and Maintain Long-Term Customer Relationships.*** Our core strategy is to establish and maintain long-term relationships with leading companies in expanding industries with size and growth characteristics that can benefit from highly automated, continuous flow manufacturing on a global scale. Over the past several years, we have made concentrated efforts to diversify our industry sectors and customer base. As a result of these efforts, we have experienced business growth from existing customers and from new customers. Additionally, our acquisitions have contributed to our business growth. We focus on maintaining long-term relationships with our customers and seek to expand these relationships to include additional product lines and services. In addition, we have a focused effort to identify and develop relationships with new customers who meet our profile.

- ***Utilize Business Units.*** Most of our business units are dedicated to one customer and operate with a high level of autonomy, primarily utilizing dedicated production equipment, production workers, supervisors, buyers, planners and engineers. We believe our customer centric business units promote increased responsiveness to our customers' needs, particularly as a customer relationship grows to multiple production locations.

- ***Expand Parallel Global Production.*** Our ability to produce the same product on a global scale is a significant requirement of our customers. We believe that parallel global production is a key strategy to reduce obsolescence risk and secure the lowest landed costs while simultaneously supplying products of equivalent or comparable quality throughout the world. Consistent with this strategy, we have established or acquired operations in Austria, Belgium, Brazil, Canada, China, Finland, France, Germany, Hungary, India, Ireland, Israel, Italy, Japan, Malaysia, Mexico, The Netherlands, Poland, Russia, Scotland, Singapore, South Korea, Spain, Taiwan, Ukraine and Vietnam to increase our European, Asian and Latin American presence.

- ***Offer Systems Assembly, Direct-Order Fulfillment and Configure-to-Order Services.*** Our systems assembly, direct-order fulfillment and configure-to-order services allow our customers to reduce product cost and risk of product obsolescence by reducing total work-in-process and finished goods inventory. These services are available at all of our manufacturing locations.

- ***Offer Design Services.*** We offer a wide spectrum of value-add design services for products that we manufacture for our customers. We provide these services to enhance our relationships with current customers by allowing them the flexibility to utilize complementary design services to achieve improvements in performance, cost, time-to-market and manufacturability, as well as to help develop relationships with new customers.

- ***Pursue Selective Acquisition Opportunities.*** Traditionally, EMS companies have acquired manufacturing capacity from customers to drive growth, expand footprint and gain new customers. More recently, our acquisition strategy has expanded beyond focusing on acquisition opportunities presented by companies divesting internal manufacturing operations to include opportunities to acquire smaller EMS competitors who are focused on our key growth areas which include specialized manufacturing in key markets (such as healthcare and packaging), materials technology, design operations and/or other acquisition opportunities complementary to our services offerings. The primary goal of our acquisition strategy is to complement our current capabilities, diversify our business into new industry sectors and with new customers and expand the scope of the services we can offer to our customers. As the scope of our acquisition opportunities expands, the risks associated with our acquisitions expand as well, both in terms of the amount of risk we face and the scope of such risks. See "Risk Factors — We have on occasion not achieved, and may not in the future achieve, expected profitability from our acquisitions; and some divestitures may adversely affect our financial condition, results of operations or cash flows."

Our Approach to Manufacturing

In order to achieve high levels of manufacturing performance, we have adopted the following approaches:

- ***Business Units.*** Most of our business units are dedicated to one customer and are empowered to formulate strategies tailored to individual customer needs. Most of our business units have dedicated production lines consisting of equipment, production workers, supervisors, buyers, planners and engineers. Under certain circumstances, a production line may include more than one business unit in order to maximize resource utilization. Business units have direct responsibility for manufacturing results and time-to-volume production, promoting a sense of individual commitment and ownership. The business unit approach is modular and enables us to grow incrementally without disrupting the operations of other business units.

- ***Business Unit Management.*** Our Business Unit Managers coordinate all financial, manufacturing and engineering commitments for each of our customers at a particular manufacturing facility. Our Business Unit Directors oversee local Business Unit Managers and coordinate worldwide financial, manufacturing and engineering commitments for each of our customers that have global production requirements. Jabil's Business Unit Management has the authority (within high-level parameters set by executive management) to develop customer relationships, make design strategy decisions and production commitments, establish pricing, and implement production and product design changes. Business Unit Managers and Directors are also responsible for assisting customers with strategic planning for future products, including developing cost and technology goals. These Managers and Directors operate autonomously with responsibility for the development of customer relationships and direct profit and loss accountability for business unit performance.

- ***Automated Continuous Flow.*** We use a highly automated, continuous flow approach where different pieces of equipment are joined directly or by conveyor to create an in-line assembly process. This process is in contrast to a batch approach, where individual pieces of assembly equipment are operated as freestanding work-centers. The elimination of waiting time prior to sequential operations results in faster manufacturing, which improves production efficiencies and quality control, and reduces inventory work-in-process. Continuous flow manufacturing provides cost reductions and quality improvement when applied to volume manufacturing.

- ***Computer Integration.*** We support all aspects of our manufacturing activities with advanced computerized control and monitoring systems. Component inspection and vendor quality are monitored electronically in real-time. Materials planning, purchasing, stockroom and shop floor control systems are supported through a computerized Manufacturing Resource Planning system, providing customers with a continuous ability to monitor material availability and track work-in-process on a real-time basis. Manufacturing processes are supported by a real-time, computerized statistical process control system, whereby customers can remotely access our computer systems to monitor real-time yields, inventory positions, work-in-process status and vendor quality data. See "Technology" and "Risk Factors — Any delay in the implementation of our information systems could disrupt our operations and cause unanticipated increases in our costs."

- ***Supply Chain Management.*** We make available an electronic commerce system/electronic data interchange and web-based tools for our customers and suppliers to implement a variety of supply chain management programs. Most of our customers utilize these tools to share demand and product forecasts and deliver purchase orders. We use these tools with most of our suppliers for just-in-time delivery, supplier-managed inventory and consigned supplier-managed inventory.

Our Design Services

We offer a wide spectrum of value-add design services for products that we manufacture for our customers. We provide these services to enhance our relationships with current customers and to help develop relationships with our new customers. We offer the following design services:

- ***Electronic Design.*** Our Electronic Design team provides electronic circuit design services, including application-specific integrated circuit design and firmware development. These services have been used by our customers for a variety of products including cellular phones and accessory products, notebook and personal computers, servers, radio frequency products, video set-top boxes, optical communications products, personal digital assistants, communication and broadband products, automotive and consumer appliance controls.

- ***Industrial Design Services.*** Our Industrial Design team designs the "look and feel" of the plastic and metal enclosures that house the electro-mechanics, including the printed circuit board assemblies ("PCBA").

- ***Mechanical Design.*** Our Mechanical Design team specializes in three-dimensional mechanical design with the analysis of electronic, electro-mechanical and optical assemblies using state of the art modeling and analytical tools. The mechanical team has extended Jabil's product design offering capabilities to include all aspects of industrial design, advance mechanism development and tooling management.

- ***Computer-Assisted Design.*** Our Computer-Assisted Design ("CAD") team provides PCBA design services using advanced CAD engineering tools, PCBA design validation and verification services, and other consulting services, which include the generation of a bill of materials, approved vendor list and assembly equipment configuration for a particular PCBA design. We believe that our CAD services result in PCBA designs that are optimized for manufacturability and cost efficiencies, and accelerate the product's time-to-market and time-to-volume production.

- ***Product Validation.*** Our Product Validation team provides complete product and process validation. This includes product system test, product safety, regulatory compliance and reliability test.

- ***Manufacturing Test Solution Development.*** Our Manufacturing Test Solution Development team works as an integral function to the design team to embed design for testability and minimization of capital and resource investment for mass manufacturing. The use of software driven instrumentation and test process design and management has enhanced our customer product quality and less human dependent test processes. The full electronic test data-log of customer products has allowed customer product test traceability and visibility throughout the manufacturing test process.

Our design centers are located in: Vienna, Austria; Hasselt, Belgium; Anaheim, Dublin and San Jose, California; Ottawa, Canada; Beijing, Hong Kong, Shanghai, Tianjin, Wuhan, Wuxi and Zhejiang, China; Colorado Springs, Colorado; Kankaanpaa and Tampere, Finland; St. Petersburg, Florida; Jena, Germany; Chicago, Illinois; Bray, Ireland; Clinton, Massachusetts; Tampines, Singapore; Hsinchu, Taichung City and Taipei, Taiwan; and Coppell, Texas. Our teams are strategically staffed to support Jabil customers for all development projects, including turnkey system design and design for manufacturing activities. See "Risk Factors — We may not be able to maintain our engineering, technological and manufacturing process expertise."

We are exposed to different or greater potential liabilities from our design services than those we face from our regular manufacturing services. See "Risk Factors — Our design services and turnkey solutions offerings may result in additional exposure to product liability, intellectual property infringement and other claims, in addition to the business risk of being unable to produce the revenues necessary to profit from these services."

Our Systems Assembly, Test, Direct-Order Fulfillment and Configure-to-Order Services

We offer systems assembly, test, direct-order fulfillment and configure-to-order services to our customers. Our systems assembly services extend our range of assembly activities to include assembly of higher-level sub-systems and systems incorporating multiple PCBAs. We maintain systems assembly capacity to meet the demands of our customers. In addition, we provide testing services, based on quality assurance programs developed with our customers, of the PCBAs, sub-systems and systems products that we manufacture. Our quality assurance programs include circuit testing under various environmental conditions to try to ensure that our products meet or exceed required customer specifications. We also offer direct-order fulfillment and configure-to-order services for delivery of final products we assemble for our customers.

Technology

We believe that our manufacturing and testing technologies are among the most advanced in the industry. Through our R&D efforts, we intend to continue to offer our customers among the most advanced highly automated, continuous flow manufacturing process technologies for precise and aesthetic mechanical components and system assembly. These technologies include automation, electronic interconnection, advanced polymer and metal material science, automated tooling, single/multi-shot injection molding, stamping, multi-axis Computer Numerical Control ("CNC"), spray painting, vacuum metallization, physical vapor deposition, digital printing, anodization, thermal-plastic composite formation, plastic with embedded electronics, in-mold labeling, leather/wood overmolding, metal cover with insert-molded or die-casting features for assembly, seamless display cover with integrated touch sensor, plastic cover with insert-molded glass lens and advanced testing solutions. In addition to our R&D activities, we are continuously making refinements to our existing manufacturing processes in connection with providing manufacturing services to our customers. See "Risk Factors — We may not be able to maintain our engineering, technological and manufacturing process expertise."

Research and Development

To meet our customers' increasingly sophisticated needs, we continuously engage in product research and design activities. These activities include electronic design, mechanical design, software design, system level design, material processing research (including plastics, metal, glass and ceramic), component and product validation, as well as other design and process development related activities necessary to manufacture our customers' products in the most cost-effective and consistent manner. We are engaged in advanced research and platform designs for products including: mobile internet devices and associated accessories, multi-media tablets, two-way radios, consumer lifestyles products, health care and life science products, server and storage products, set-top and digital home products, printing products and wearable technologies products. These activities focus on assisting our customers in product creation and manufacturing solutions. For fiscal years 2015, 2014 and 2013, we expended $27.6 million, $28.6 million and $28.4 million, respectively, on R&D activities.

Financial Information about Business Segments

We derive revenue from providing comprehensive electronics design, production and product management services. Management evaluates performance and allocates resources on a segment basis. At August 31, 2015, our reportable operating segments consisted of two segments — EMS and DMS. See Note 12 — "Concentration of Risk and Segment Data" to the Consolidated Financial Statements.

Customers and Marketing

Our core strategy is to establish and maintain long-term relationships with leading companies in expanding industries with the size and growth characteristics that can benefit from highly automated, continuous flow manufacturing on a global scale. A small number of customers and significant industry sectors have historically comprised a major portion of our net revenue. The table below sets forth the respective portion of net revenue for the applicable period attributable to our customers who individually accounted for approximately 10% or more of our net revenue in any respective period:

	Fiscal Year Ended August 31,		
	2015	2014	2013
Apple, Inc.	24%	18%	20%
BlackBerry Limited	*	*	12%

* Amount was less than 10% of total

The following table sets forth, for the periods indicated, revenue by segment expressed as a percentage of net revenue:

	Fiscal Year Ended August 31,		
	2015	2014	2013
EMS	60%	67%	70%
DMS	40%	33%	30%
Total	100%	100%	100%

In fiscal year 2015, our five largest customers accounted for approximately 50% of our net revenue and 81 customers accounted for approximately 90% of our net revenue. We currently depend, and expect to continue to depend, upon a relatively small number of customers for a significant percentage of our net revenue and upon their growth, viability and financial stability. See "Risk Factors — Because we depend on a limited number of customers, a reduction in sales to any one of those customers could cause a significant decline in our revenue," "Risk Factors — Consolidation in industries that utilize our services may adversely affect our business" and Note 12 — "Concentration of Risk and Segment Data" to the Consolidated Financial Statements.

We have made concentrated efforts to diversify our industry sectors and customer base, including but not limited to increasing our net revenue in the EMS and DMS segments through acquisitions and organic growth. Our Business Unit Managers and Directors, supported by executive management, work to expand existing customer relationships through the addition of product lines and services. These individuals also identify and attempt to develop relationships with new customers who meet our profile. This profile includes financial stability, need for technology-driven turnkey manufacturing, anticipated unit volume and long-term relationship stability. Unlike traditional sales managers, our Business Unit Managers and Directors are responsible for ongoing management of production for their customers.

International Operations

A key element of our strategy is to provide localized production of global products for leading companies in the major consuming regions of the Americas, Europe and Asia. Consistent with this strategy, we have established or acquired operations in Austria, Belgium, Brazil, Canada, China, Finland, France, Germany, Hungary, India, Ireland, Israel, Italy, Japan, Malaysia, Mexico, The Netherlands, Poland, Russia, Scotland, Singapore, South Korea, Spain, Taiwan, Ukraine and Vietnam.

Our European operations provide European and multinational customers with design and manufacturing services to satisfy their local market consumption requirements.

Our Asian operations enable us to provide local design and manufacturing services and a more competitive cost structure in the Asian market; and serve as a low cost manufacturing source for new and existing customers in the global market.

Our Latin American operations located in Mexico enable us to provide a low cost manufacturing source for new and existing customers principally in the U.S. marketplace. Our Latin American operations located in South America provide customers with manufacturing services to satisfy their local market consumption requirements.

See "Risk Factors — We derive a majority of our revenue from our international operations, which may be subject to a number of risks and often require more management time and expense to achieve profitability than our domestic operations" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Competition

Our business is highly competitive. We compete against numerous domestic and foreign electronic manufacturing service providers and design providers, including Benchmark Electronics, Inc., Celestica Inc., Flextronics International Ltd., Hon-Hai Precision Industry Co., Ltd., Plexus Corp. and Sanmina Corporation. Our diversified manufacturing services segment competes against numerous domestic and foreign providers, including AptarGroup, Inc., Berry Plastics Group, Inc., Catcher Technology Co., Ltd., Gerresheimer AG, Quanta Computer, Inc. and Zeniya Aluminum Engineering, Ltd. In addition, past consolidation in our industry has resulted in larger and more geographically diverse competitors who have significant combined resources with which to compete against us. Also, we may in the future encounter competition from other large electronic manufacturers, and manufacturers that are focused solely on design and manufacturing services, that are selling, or may begin to sell electronic manufacturing services. Most of our competitors have international operations and significant financial resources and some have substantially greater manufacturing, R&D and marketing resources than we have.

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

We may be operating at a cost disadvantage compared to competitors who (a) have greater direct buying power from component suppliers, distributors and raw material suppliers, (b) have lower cost structures as a result of their geographic location or the services they provide, (c) are willing to make sales or provide services at lower margins than we do (including relationships where our competitors are willing to accept a lower margin from certain of their customers for whom they perform other higher margin business) or (d) have increased their vertical capabilities, thereby potentially providing them greater cost savings. As a result, competitors may procure a competitive advantage and obtain business from our customers. Our manufacturing processes are generally not subject to significant proprietary protection. In addition, companies with greater resources or a greater market presence may enter our market or increase their competition with us. We also expect our competitors to continue to improve the performance of their current products or services, to reduce the sales prices of their current products or services and to introduce new products or services that may offer greater performance and improved pricing. Any of these developments could cause a decline in our sales, loss of market acceptance of our products or services, compression of our profits or loss of our market share. See “Risk Factors — We compete with numerous other diversified manufacturing service providers, electronic manufacturing services and design providers and others, including our current and potential customers who may decide to manufacture some or all of their products internally.”

Backlog

Our order backlog at August 31, 2015 and 2014 was valued at approximately $5.0 billion and $4.3 billion, respectively. Our order backlog is expected to be filled within the current fiscal year. Although our backlog consists of firm purchase orders, the level of backlog at any particular time may not be necessarily indicative of future sales. Given the nature of our relationships with our customers, we frequently allow our customers to cancel or reschedule deliveries, and therefore, backlog is often not a meaningful indicator of future financial results. Although we may seek to negotiate fees to cover the costs of such cancellations or rescheduling, we may not always be successful in such negotiations. See “Risk Factors — Most of our customers do not commit to long-term production schedules, which makes it difficult for us to schedule production and capital expenditures, and to maximize the efficiency of our manufacturing capacity.”

Seasonality

Production levels for a portion of the DMS segment are subject to seasonal influences. We may realize greater net revenue during our first fiscal quarter due to higher demand for consumer related products manufactured in the DMS segment during the holiday selling season.

Components Procurement

We procure components from a broad group of suppliers, determined on an assembly-by-assembly basis. Almost all of the products we manufacture require one or more components that are only available from a single source. Some of these components are allocated from time to time in response to supply shortages. In some cases, supply shortages could substantially curtail production of all assemblies using a particular component. A supply shortage can also increase our cost of goods sold, as a result of our having to pay higher prices for components in limited supply, and potentially cause us to have to redesign or reconfigure products to accommodate a substitute component. In addition, at various times industry-wide shortages of electronic components have occurred, particularly of semiconductor, relay and capacitor products. We believe these past shortages were due to increased economic activity following recessionary conditions and natural disasters. In the past, such circumstances have produced insignificant levels of short-term interruption of our operations, but they could have a material adverse effect on our results of operations in the future. Our production of a customer’s product could be negatively impacted by any quality or reliability issues with any of our component suppliers. The financial condition of our suppliers could affect their ability to supply us with components and their ability to satisfy any warranty obligations they may have, which could have a material adverse effect on our operations. See “Risk Factors — We depend on a limited number of suppliers for components that are critical to our manufacturing processes. A shortage of these components or an increase in their price could interrupt our operations and reduce our profit, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence and cause us to purchase components of a lesser quality.”

Proprietary Rights

We regard certain aspects of our design, production and product services as proprietary intellectual property. To protect our proprietary rights, we rely largely upon a combination of intellectual property laws, non-disclosure agreements with our customers, employees, and suppliers and our internal security systems, policies and procedures. Although we take steps to protect our intellectual property, misappropriation may still occur. We have not historically sought patent protection for many of our proprietary processes, designs or other patentable intellectual property. We currently have a relatively modest number of solely owned and/or jointly held patents for various innovations. We believe that our research and design activities, along with developments relating thereto, may result in growth of our patent portfolio and its importance to us, particularly as we expand our business activities. Other factors significant to our proprietary rights include the knowledge and experience of our management and personnel and our ability to develop, enhance and market manufacturing services.

We license some technology and intellectual property rights from third parties that we use in providing some of our design, production and product management services to our customers. Generally, the license agreements which govern such third party technology and intellectual property rights grant us the right to use the subject technology anywhere in the world and will terminate upon a material breach by us. In the event of termination, we may not be successful in developing alternatives.

We do not believe that our designs, production and product management services infringe on the proprietary rights of third parties. However, if third parties successfully assert infringement claims against us with respect to past, current or future designs or processes, we could be required to enter into an expensive royalty arrangement, develop non-infringing designs or processes, discontinue use of the infringing design or processes, or engage in costly litigation. See "Risk Factors — We may not be able to maintain our engineering, technological and manufacturing process expertise," "Risk Factors — Our manufacturing processes and services may result in exposure to intellectual property infringement and other claims," "Risk Factors — The success of certain aspects of our business depends in part on our ability to obtain, protect and leverage intellectual property rights" and "Risk Factors — Intellectual property infringement claims against our customers, our suppliers or us could harm our business."

Employees

As of August 31, 2015, we employed approximately 161,000 people worldwide. None of our U.S. domestic employees are represented by a labor union. In certain international locations, our employees are represented by labor unions and by works councils. We have never experienced a significant work stoppage or strike and we believe that our employee relations are good.

Geographic Information

The information regarding net revenue and long-lived assets set forth in Note 12 — "Concentration of Risk and Segment Data" to the Consolidated Financial Statements, is hereby incorporated by reference into this Part I, Item 1.

Environmental

We are subject to a variety of federal, state, local and foreign environmental, health and safety, product stewardship and producer responsibility laws and regulations, including those relating to the use, storage, discharge and disposal of hazardous chemicals used during our manufacturing process, those governing worker health and safety, those requiring design changes, supply chain investigation or conformity assessments or those relating to the recycling or reuse of products we manufacture. If we fail to comply with any present or future regulations, we could become subject to liabilities, and we could face fines or penalties, the suspension of production, or prohibitions on sales of products we manufacture. In addition, such regulations could restrict our ability to expand our facilities or could require us to acquire costly equipment, or to incur other significant expenses, including expenses associated with the recall of any non-compliant product or with changes in our operational, procurement and inventory management activities. See "Risk Factors — Compliance or the failure to comply with current and future environmental, health and safety, product stewardship and producer responsibility laws or regulations could cause us significant expense."

Executive Officers of the Registrant

Executive officers are appointed by the Board of Directors and serve at the discretion of the Board. Each executive officer is a full-time employee of Jabil. There are no family relationships among our executive officers and directors. There are no arrangements or understandings between any of our executive officers and any other persons pursuant to which any of such executive officers were selected. Below is a list of our executive officers as of the most recent practicable date.

Forbes I.J. Alexander (age 55) was named Chief Financial Officer in September 2004. Mr. Alexander joined Jabil in 1993 as Controller of Jabil's Scottish operation and was promoted to Assistant Treasurer in April 1996. Mr. Alexander was Treasurer from November 1996 to August 2004. Prior to joining Jabil, Mr. Alexander was Financial Controller of Tandy Electronics European Manufacturing Operations in Scotland and has held various financial positions with Hewlett Packard and Apollo Computer. Mr. Alexander is a Fellow of the Institute of Chartered Management Accountants. He holds a B.A. in Accounting from the University of Abertay Dundee, Scotland.

Sergio A. Cadavid (age 59) was named Senior Vice President, Treasurer in September 2013. Mr. Cadavid joined Jabil in 2006 as Treasurer. Prior to joining Jabil, Mr. Cadavid was Corporate Assistant Treasurer for Owens-Illinois, Inc. in Toledo, Ohio. Mr. Cadavid joined Owens — Illinois, Inc. in 1988 and held various financial and administrative positions in the U.S., Italy and Colombia. He has also held various positions with The Quaker Oats Company, Arthur Andersen & Co. and J.M. Family Enterprises, Inc. He holds an M.B.A. from the University of Florida and a B.B.A. from Florida International University.

Michael Dastoor (age 50) was named Senior Vice President, Controller in July 2010. Mr. Dastoor joined Jabil in 2000 as Regional Controller — Asia Pacific and was named Controller in June 2004. Prior to joining Jabil, Mr. Dastoor was a Regional Financial Controller for Inchcape PLC. Mr. Dastoor joined Inchcape in 1993. He holds a degree in Finance and Accounting from the University of Bombay. Mr. Dastoor is a Chartered Accountant from the Institute of Chartered Accountants in England and Wales.

Michael J. Loparco (age 44) was named Executive Vice President, Chief Executive Officer, High Velocity and Industrial & Energy in October 2014. Previously, Mr. Loparco served as Senior Vice President, Global Business Units in Jabil's High Velocity business and held a variety of global management positions. Before joining Jabil in 1999, Mr. Loparco was an attorney at Holland & Knight, LLP, practicing corporate and commercial litigation, and was a Certified Mediator in the judicial circuits of the State of Florida. He holds a Juris Doctorate from Stetson University College of Law; and attended Florida State University, College of Law, while serving with the Committee of Business and Professional Regulation for the Florida House of Representatives. He holds a Bachelor of Arts in International Business, with minor degrees in Spanish and Business Management, from Eckerd College.

Joseph A. McGee (age 53) was named Executive Vice President, Strategic Planning and Development in January 2010 and was designated as an executive officer in July 2013. Mr. McGee joined Jabil in 1993 as a Business Unit Manager. From 1993 through 2004, Mr. McGee held several positions, including Director of Business Development, Malaysia, General Manager, California and Vice President, Global Business Units. Mr. McGee was promoted to Senior Vice President, Global Business Units in September 2004 and Senior Vice President, Strategic Planning and Development in June 2008. Prior to joining Jabil, Mr. McGee held positions within Sun Microsystems, Philips, the University of Glasgow and the University of Strathclyde. He holds a Bachelor's degree in Mechanical Engineering from the University of Strathclyde, an MBA from the University of Glasgow and a Doctorate in Thermodynamics and Fluid Mechanics from the University of Strathclyde.

Mark Mondello (age 51) was named Chief Executive Officer in March 2013. Mr. Mondello joined Jabil in 1992 as a manufacturing supervisor. Mr. Mondello was promoted to Project Manager in 1993, named Vice President, Business Development in 1997, Senior Vice President, Business Development in 1999 and served as Chief Operating Officer from November 2002 through March 2013. Prior to joining Jabil, Mr. Mondello was a commercial and defense-related aerospace project manager for Moog, Inc. He holds a B.S. in Mechanical Engineering from the University of South Florida.

William D. Muir, Jr. (age 47) was named Chief Operating Officer in March 2013. Mr. Muir joined Jabil in 1992 as a Quality Engineer and has served in management positions including Senior Director of Operations for Florida, Michigan, Guadalajara, and Chihuahua; was promoted to Vice President, Operations-Americas in February 2001, was named Vice President, Global Business Units in November 2002, Senior Vice President, Regional President — Asia in September 2004 and Executive Vice President, Chief Executive Officer, EMS Division from September 2007 to April 2010. Mr. Muir recently served as Executive Vice President, Chief Executive Officer, Global Manufacturing Services Group from April 2010 to March 2013. He holds a Bachelor's degree in Industrial Engineering and an MBA, both from the University of Florida.

Alessandro Parimbelli (age 47) was named Executive Vice President, Chief Executive Officer, Enterprise and Infrastructure in July 2013. Mr. Parimbelli joined Jabil in 1998 as a Test Engineering Manager. At Jabil, Mr. Parimbelli served in business management positions in Boise, Idaho and Paris, France before being promoted to Vice President, Global Business Units in September 2006. From 2010 through 2012 Mr. Parimbelli was Senior Vice President, Global Business Units and was responsible for Jabil's Enterprise and Infrastructure business. Prior to joining Jabil, Mr. Parimbelli held various engineering positions within Hewlett-Packard and other software engineering companies. He holds an MBA from Colorado State University and a Software Engineering degree from Politecnico of Milan, Italy.

Robert L. Paver (age 59) joined Jabil as General Counsel and Corporate Secretary in 1997. Prior to joining Jabil, Mr. Paver was a trial lawyer and partner with the law firm of Holland & Knight. Mr. Paver has served as an adjunct professor of law at Stetson University College of Law and has been a guest lecturer at the University of Florida Levin College of Law. He holds a B.A. from the University of Florida and a J.D. from Stetson University College of Law.

William E. Peters (age 52) was named President in March 2013. Mr. Peters served as Executive Vice President, Human Development, Human Resources from April 2010 to March 2013. He joined Jabil in 1990 as a buyer and shortly thereafter was named Purchasing Manager. In 1993 Mr. Peters was named Operations Manager for Jabil's Michigan facility and was promoted to Vice President, Operations in January 1999. Mr. Peters was named Senior Vice President, Operations in October 2000. He was promoted to Senior Vice President, Regional President — Americas in September 2004. In September 2007, Mr. Peters was named Senior Vice President, Human Development. Prior to joining Jabil, Mr. Peters was a financial analyst for Electronic Data Systems. He holds a B.A. in Economics from Michigan State University.

Courtney J. Ryan (age 45) was named Executive Vice President, Chief Executive Officer, Nypro in July 2013. Mr. Ryan joined Jabil in 1993 as a Quality Engineer and worked his way through various operations and business development management positions. In December 2000, Mr. Ryan was named Vice President, Operations for Europe. In 2004, he was named Senior Vice President, Global Supply Chain and was named Senior Vice President, Global Business Units in 2007. Mr. Ryan holds an MBA with a concentration in Decision and Information Science and a Bachelor of Arts in Economics, both from the University of Florida. He also serves on the University of Florida's MBA and Supply Chain Advisory Board.

Item 1A. Risk Factors

As referenced, this Annual Report on Form 10-K includes certain forward-looking statements regarding various matters. The ultimate correctness of those forward-looking statements is dependent upon a number of known and unknown risks and events, and is subject to various uncertainties and other factors that may cause our actual results, performance or achievements to be different from those expressed or implied by those statements. Undue reliance should not be placed on those forward-looking statements. The following important factors, among others, as well as those factors set forth in our other Securities and Exchange Commission ("SEC") filings from time to time, could affect future results and events, causing results and events to differ materially from those expressed or implied in our forward-looking statements.

Our operating results may fluctuate due to a number of factors, many of which are beyond our control.

Our annual and quarterly operating results are affected by a number of factors, including:

- adverse changes in current macro-economic conditions, both in the U.S. and internationally;
- how well we execute on our strategy and operating plans, and the impact of changes in our business model;
- the level and timing of customer orders;
- the level of capacity utilization of our manufacturing facilities and associated fixed costs, including instances where we maintain manufacturing facilities and associated fixed costs in anticipation of future customer orders and the actual orders never occur, are at lower than anticipated levels and/or occur later than expected;
- the composition of the costs of revenue between materials, labor and manufacturing overhead;
- price competition;
- changes in demand for our products or services, as well as the volatility of these changes;
- changes in demand in our customers' end markets, as well as the volatility of these changes;
- our exposure to financially troubled customers;
- any potential future termination, or substantial winding down, of significant customer relationships;
- our level of experience in manufacturing particular products;
- the degree of automation used in our assembly process;
- the efficiencies achieved in managing inventories and property, plant and equipment;
- significant costs incurred in acquisitions and other transactions that are immediately expensed in the quarter in which they occur;
- fluctuations in materials costs and availability of materials;
- adverse changes in political conditions, both in the U.S. and internationally, including among other things, adverse changes in tax laws and rates (and government interpretations thereof), adverse changes in trade policies and adverse changes in fiscal and monetary policies;
- seasonality in customers' product demand;
- the timing of expenditures in anticipation of increased sales, customer product delivery requirements and shortages of components or labor;
- changes in stock-based compensation expense due to changes in the expected vesting of performance-based equity awards comprising a portion of such stock-based compensation expense; and
- failure to comply with foreign laws, which could result in increased costs and/or taxes.

The volume and timing of orders placed by our customers vary due to variation in demand for our customers' products; our customers' attempts to manage their inventory; product design changes; changes in our customers' manufacturing strategies; and acquisitions of or consolidations among our customers. In addition, our sales associated with consumer related products are subject to seasonal influences. We may realize greater revenue during our first fiscal quarter due to higher demand for consumer related products during the holiday selling season. In the past, changes in customer orders that reduce net revenue have had a significant effect on our results of operations as a result of our overhead remaining relatively fixed while our net revenue decreased. Any one or a combination of these factors could adversely affect our annual and quarterly results of operations in the future. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations.”

Because we depend on a limited number of customers, a reduction in sales to any one of those customers could cause a significant decline in our revenue.

During the fiscal year ended August 31, 2015, our five largest customers accounted for approximately 50% of our net revenue and 81 customers accounted for approximately 90% of our net revenue. In some instances, particular manufacturing services we provide for such customers represent a significant portion of the overall revenue we receive from that customer. We currently depend, and expect to continue to depend, upon a relatively small number of customers for a significant percentage of our net revenue and upon their growth, viability and financial stability. We have recently experienced increased dependence and expect this dependence to continue. If any of those customers experiences a decline in the demand (anticipated or unanticipated) for one or more of its products due to economic or other forces, it may reduce its purchases from us or terminate its relationship with us. Our customers’ industries have experienced rapid technological change, shortening of product life cycles, consolidation, and pricing and margin pressures. Consolidation among our customers may further reduce the number of customers that generate a significant percentage of our net revenue and exposes us to increased risks relating to dependence on a smaller number of customers. A significant reduction in sales to any of our customers or the exercising by certain customers of pricing and margin pressure on us, which reduction or exercise have occurred in certain instances in the past and which are exacerbated for larger customers, could have a material adverse effect on our results of operations. In the past, we have incurred certain inventory write-offs and equipment write-offs and some of our customers have terminated their manufacturing arrangements with us or have significantly reduced or delayed the volume of design, production or product management services ordered from us, including moving a portion of their manufacturing from us in order to more fully utilize their excess internal manufacturing capacity, which could happen again in the future. In other cases, we have terminated customer manufacturing arrangements. A terminated customer manufacturing arrangement (whether terminated by the customer or by us) or a reduction in manufacturing services ordered from us can result in one or more of the following adverse effects on our business: a decline in revenue; less revenue to absorb fixed costs and overhead; severance costs; charges for bad debts, inventory write-offs, equipment write-offs and lease write-offs; other potential disengagement costs; a decrease in inventory turns; an increase in days that products remain in inventory and an increase in days that accounts receivable remain outstanding. We often, however, have an indemnification remedy which can mitigate some of these adverse effects if the customer has sufficient funds to satisfy any such indemnification obligation. Some of the risks described above may not only exist with respect to a particular customer, but also with respect to manufacturing services with respect to a particular customer product for larger customers where a significant portion of the overall revenue we receive from such customer relates to such services for such product. Accordingly, if any of our customers’ products experiences a decline in demand (anticipated or unanticipated), the applicable customer may reduce its purchases from us or terminate their relationship with us. This could have a material adverse effect on our results of operations.

During past economic cycles, our revenue declined as consumers and businesses postponed spending in response to tighter credit, negative financial news, declines in income or asset values or general uncertainty about global economic conditions. These economic conditions had a negative impact on our results of operations and similar conditions may exist in the future. We cannot assure you that present or future customers will not terminate their design, production and product management services arrangements with us or significantly change, reduce or delay the amount of services ordered from us. If they do, such termination, change, reduction or delay could have a material adverse effect on our results of operations. In addition, if one or more of our customers were to become insolvent or otherwise were unable to pay for the services provided by us on a timely basis, or at all, our operating results and financial condition could be adversely affected. Also, our operating results and financial condition could be adversely affected by the potential recovery by the bankruptcy estate of amounts previously paid to us by a customer that later became insolvent. Such adverse effects could include one or more of the following: a decline in revenue, less revenue to absorb fixed costs and overhead, a charge for bad debts, a charge for inventory write-offs, a charge for equipment write-offs, a charge for lease write-offs, a decrease in inventory turns, an increase in days that products remain in inventory and an increase in days in which accounts receivable remain outstanding.

Certain of the industries to which we provide services have experienced significant financial difficulty during the recent recession, with some of the participants filing for bankruptcy. Such significant financial difficulty has negatively affected our business and, if further experienced by one or more of our customers, may further negatively affect our business due to the decreased demand of these financially distressed customers, the potential inability of these companies to make full payment on amounts owed to us, or both. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors — We face certain risks in collecting our trade accounts receivable."

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

Factors affecting the industries that utilize our services in general, and our customers specifically, could seriously harm our customers and, as a result, us. These factors include:

- recessionary periods in our customers' markets, as well as in the global economy in general;
- the inability of our customers to adapt to rapidly changing technology and evolving industry standards, which may contribute to short product life cycles or shifts in our customers' strategies;
- the inability of our customers to develop and market their products, some of which are new and untested;
- the potential that our customers' products become commoditized or 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 or a reduction in pricing power for our customers; and
- new product offerings by our customers' competitors may prove to be more successful than our customers' product offerings.

Also, our Diversified Manufacturing Services ("DMS") segment is highly dependent on the consumer products industry. This business is very competitive (both for us and our customers) and often subject to shorter product lifecycles, shifting end-user preferences, higher revenue volatility and programs that may be shifted among competitors in our industry that may impact customer orders thus reducing net revenue and our ability to cover fixed costs. As a result, these risks heighten our exposure to this end market which could adversely affect our results of operations.

At times our customers have been, and may be in the future, unsuccessful in addressing these competitive challenges, or any others that they may face, and their business has been, and may be in the future, materially adversely affected. As a result, the demand for our services has at times declined and may decline in the future. Even if our customers are successful in responding to these challenges, their responses may have consequences which affect our business relationships with our customers (and possibly our results of operations) by altering our production cycles and inventory management.

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

If we are unable to offer technologically advanced, cost effective, quick response manufacturing services that are differentiated from our competition, demand for our services will decline. In addition, if we are unable to offer services in response to our customers' changing requirements, then demand for our services will also decline. A substantial portion of our net revenue is derived from our offering of complete service solutions for our customers. For example, if we fail to maintain high-quality design and engineering services, our net revenue may significantly decline.

Consolidation in industries that utilize our services may adversely affect our business.

Consolidation in industries that utilize our services may further increase as companies combine to achieve further economies of scale and other synergies, which could result in an increase in excess manufacturing capacity as companies seek to divest manufacturing operations or eliminate duplicative product lines. Excess manufacturing capacity may increase pricing and competitive pressures for our industry as a whole and for us in particular. Consolidation could also result in an increasing number of very large companies offering products in multiple industries. The significant purchasing power and market power of these large companies could increase pricing and competitive pressures for us. If one of our customers is acquired by another company that does not rely on us to provide services and has its own production facilities or relies on another provider of similar services, we may lose that customer's business. Such consolidation among our customers may further reduce the number of customers that generate a significant percentage of our net revenue and expose us to increased risks relating to dependence on a small number of customers. Any of the foregoing results of industry consolidation could adversely affect our business.

Most of our customers do not commit to long-term production schedules, which makes it difficult for us to schedule production and capital expenditures, and to maximize the 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;
- product design changes;
- changes in our customers' manufacturing strategy;
- customer requirements to relocate our manufacturing operations or to transfer our manufacturing from one facility to another; 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. Our inability to forecast the level of customer orders for a customer's products with certainty makes it difficult to schedule production and maximize utilization of manufacturing capacity. In the past, we have been required to increase staffing and other expenses in order to meet the anticipated demand of our customers or a customer's specific product. Anticipated orders from many of our customers have, in the past, failed to materialize, delivery schedules have been deferred or production has unexpectedly decreased, slowed down or stopped as a result of changes in our customers' business needs, thereby adversely affecting our results of operations. On other occasions, our customers have required rapid increases in production, which have placed an excessive burden on our resources. Such customer order fluctuations and deferrals have had a material adverse effect on us in the past and we may experience such effects in the future. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." In addition to our difficulty in forecasting customer orders, we sometimes experience difficulty forecasting the timing of our receipt of revenue and earnings following commencement of providing manufacturing services for an additional product for new or existing customers. The necessary process to begin this commencement of manufacturing can take from several months to more than a year before production begins. Delays in the completion of this process can delay the timing of our sales and related earnings. In addition, because we make capital expenditures during this ramping process and do not typically recognize revenue until after we produce and ship the customer's products, any delays or unanticipated costs in the ramping process may have a significant adverse effect on our cash flows and our results of operations, particularly when our contractual or legal remedies are insufficient to avoid or mitigate such unanticipated costs which can be exacerbated with large customers. These difficulties can be exacerbated when providing services for a specific customer product from which we generate a significant amount of our revenue. An increasing portion of our revenues have come from our largest customer, and servicing that customer requires an increased level of capital expenditures by us. See — "Risk Factors — Because we depend on a limited number of customers, a reduction in sales to any one of those customers could cause a significant decline in our revenue."

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

Our industry must provide increasingly rapid product turnaround for its customers. We generally do not obtain firm, long-term purchase commitments from our customers for any of their products and we continue to experience reduced lead-times in customer orders. Customers have previously canceled their orders, changed production quantities, delayed production and changed their sourcing strategy for a number of reasons with respect to one or more of their products, and may take one or more of these actions again in the future. Such changes, delays and cancellations have led to, and may lead in the future to a decline in our production and our possession of excess or obsolete inventory that we may not be able to sell to customers or third parties. This has resulted in, and could result in future additional, write downs of inventories that have become obsolete or exceed anticipated demand or net realizable value. Although we attempt to negotiate contractual language with our customers to avoid or mitigate these risks, they may be exacerbated when the inventory is for a specific product that represents a significant amount of our revenue.

The success of one or more of our customers' products in the market affects our business. Cancellations, reductions, delays or changes in sourcing strategy with respect to one or more significant products by a significant customer or by a group of customers have negatively impacted, and could further negatively impact in the future, our operating results by reducing the number of products that we sell, delaying the payment to us for inventory that we purchased and reducing the use of our manufacturing facilities which have 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, production schedules, component procurement commitments, personnel needs and other resource requirements, based on our estimate of customer requirements for one or more of their products. The following factors, among others, reduce our ability to accurately estimate future customer requirements, forecast operating results and make production planning decisions: the short-term nature of our customers' commitments for us to build their products; their uncertainty about, among other things, future economic conditions and other events, such as natural disasters; and the possibility of rapid changes in demand for one or more of their products.

On occasion, customers may require rapid increases in production for one or more of their products, which can stress our resources and reduce operating margins. In addition, because many of our costs and operating expenses are relatively fixed, a reduction in customer demand, particularly a reduction in demand for any particular customer product that represents a significant amount of our revenue, can harm our gross profit and operating results.

We depend on a limited number of suppliers for components that are critical to our manufacturing processes. A shortage of these components or an increase in their price could interrupt our operations and reduce our profit, increase our inventory carrying costs, increase our risk of exposure to inventory obsolescence and cause us to purchase components of a lesser quality.

Most of our significant long-term customer contracts permit quarterly or other periodic adjustments to pricing based on decreases and increases in component prices and other factors; however, we typically bear the risk of component price increases that occur between any such re-pricings or, if such re-pricing is not permitted, during the balance of the term of the particular customer contract. Accordingly, certain component price increases could adversely affect our gross profit margins.

Almost all of the products we manufacture require one or more components that are only available from a single source. Some of these components are allocated from time to time in response to supply shortages. In some cases, supply shortages will substantially curtail production of all assemblies using a particular component. A supply shortage can also increase our cost of goods sold, as a result of our having to pay higher prices for components in limited supply, and cause us to have to redesign or reconfigure products to accommodate a substitute component. At various times industry-wide shortages of electronic components have occurred, particularly of semiconductor, relay and capacitor products. We believe these past shortages were due to increased economic activity following recessionary conditions. In addition, natural disasters and global events could cause material shortages. In the past, such circumstances have produced insignificant levels of short-term interruption of our operations, but could have a material adverse effect on our results of operations in the future. Portions of the Dodd-Frank Act require some companies, including ours, to conduct due diligence, make disclosures and file reports regarding the source of certain minerals that may be contained in their products that are originating from the Democratic Republic of Congo ("DRC") and adjoining countries. These requirements may decrease the supply of such minerals, increase their cost and/or disrupt our supply chain if we decide, or are instructed by our customers, to obtain components from different suppliers.

Our production of a customer's product could be negatively impacted by any quality or reliability issues with any of our component suppliers. The financial condition of our suppliers could affect their ability to supply us with components and their ability to satisfy any warranty obligations they may have, which could have a material adverse effect on our operations.

If a component shortage is threatened or we anticipate one, we may purchase such component early to avoid a delay or interruption in our operations. A possible result of such an early purchase is that we may incur additional inventory carrying costs, for which we may not be compensated, and have a heightened risk of exposure to inventory obsolescence, the cost of which may not be recoverable from our customers. Such costs would adversely affect our gross profit and net income. A component shortage may also require us to look to second tier vendors or to procure components through brokers with whom we are not familiar. These components may be of lesser quality than those we have historically purchased and could cause us to incur costs to bring such components up to our typical quality levels or to replace defective ones. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business — Components Procurement."

Introducing new business models or programs requiring implementation of new competencies, such as new process technologies and our development of new products or services for customers, could affect our operations and financial results.

The introduction of new business models or programs requiring implementation or development of new competencies, such as new process technology within our operations and our independent development of new products or services for customers, presents challenges in addition to opportunities. The success of new business models or programs depends on a number of factors including, but not limited to, a sufficient understanding of the new business or markets, timely and successful product development (by us and/or our customer), market acceptance, our ability to manage the risks associated with new product production ramp-up, the effective management of purchase commitments and inventory levels in line with anticipated product demand, our development or acquisition of appropriate intellectual property, the availability of supplies in adequate quantities and at appropriate costs to meet anticipated demand, and the risk that new products may have quality or other defects in the early stages of introduction. Accordingly, we cannot determine in advance the ultimate result of new business models or programs.

As a result, we must make long-term investments, develop or obtain appropriate intellectual property and commit significant resources before knowing whether our assumptions will accurately reflect customer demand for our services. After the development of a new business model or program, we must be able to manufacture appropriate volumes quickly and at low cost. To accomplish this, we endeavor to accurately forecast volumes, mixes of products and configurations that meet customer requirements; however, we may not succeed at doing so. Any delay in development or production could harm our competitive position. We may not meet our customers' expectations or otherwise execute properly, timely, or in a cost-efficient manner, which could damage our customer relationships and result in remedial costs or the loss of our invested capital and anticipated revenues and profits. In addition, the early stages of these types of new business models or programs can be less efficient, and less profitable, than those of mature programs and/or programs developed in collaboration with customers who have experience with outsourcing. Also, restrictions imposed by certain customers prevent us from fully pursuing other business in such customers' industries or other business that would compete with such customers' products or technologies.

While we attempt to negotiate contractual terms to avoid or mitigate some of these potential costs or losses, we are not always successful. Also, in certain instances, a customer contract does not exist or its language does not cover a particular situation, so we have to rely on non-contractual legal remedies. In these situations, we must negotiate a manner to address the situation as costs or losses occur which carries with it the potential risk to lose customers and/or revenue. In addition, as we have experienced on occasion, there are risks of market acceptance and product performance that could result in less demand than anticipated and our having excess capacity, which could lead to significant unrecovered costs for us. The failure to ensure that our agreed terms appropriately reflect the anticipated costs, risks, and rewards of such an opportunity could adversely affect our profitability.

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

Customer relationships with emerging companies, an area of increasing activity for us, present special risks because such companies do not have an extensive product history. As a result, there is less demonstration of market acceptance of their products making it harder for us to anticipate needs and requirements than with established customers. In addition, due to their relatively recent entrance into the commercial market, additional funding for such companies may be more difficult to obtain and these customer relationships may not continue or materialize to the extent we planned or we previously experienced. As a result of many start-up customers' lack of prior operations and unproven product markets, our credit risk, especially in trade accounts receivable and inventories, and the risk that these customers will be unable to fulfill their potentially significant obligation to indemnify us from various liabilities are potentially increased. We sometimes offer these customers extended payment terms, loans, services and other support that may increase our financial exposure. These risks are also heightened by the tightening of financing for start-up customers. Although we perform ongoing credit evaluations of our customers and adjust our allowance for doubtful accounts receivable for all customers, including start-up customers, based on the information available for review, these allowances may not be adequate. This risk may exist for any new emerging company customers in the future. Also, as a result of, among other things, these emerging companies tending to be smaller and less financially secure, we have faced and may face in the future increased litigation risk from these companies.

In addition, we have been investing directly in certain of these emerging company customers which, along with extended payment terms, loans, other financial accommodations such as not requiring customers to cover certain costs that we typically require customers to pay, for services and other support we may provide, may exacerbate the risks described in this Risk Factor. Risks related to these investments may also include one or more of the following: substantial selling, general and administrative expenses; substantial capital expenses or investments; losses or impairments that may be reflected in our net income item of our Statement of Operations; and an inability to recover a partial or full amount of any investments we make in these smaller, emerging companies.

We compete with numerous other diversified manufacturing service providers, electronic manufacturing services and design providers and others.

Our business is highly competitive. We compete against numerous domestic and foreign electronic manufacturing service providers and design providers, including Benchmark Electronics, Inc., Celestica Inc., Flextronics International Ltd., Hon-Hai Precision Industry Co., Ltd., Plexus Corp. and Sanmina Corporation. Our diversified manufacturing services segment competes against numerous domestic and foreign providers, including AptarGroup, Inc., Berry Plastics Group, Inc., Catcher Technology Co., Ltd., Gerresheimer AG, Quanta Computer, Inc. and Zeniya Aluminum Engineering, Ltd. In addition, past consolidation in our industry has resulted in larger and more geographically diverse competitors who have significant combined resources with which to compete against us. Also, we may in the future encounter competition from other large electronic manufacturers, and manufacturers that are focused solely on design and manufacturing services, that are selling, or may begin to sell diversified manufacturing services or electronic manufacturing services. Most of our competitors have international operations and significant financial resources and some have substantially greater manufacturing, research and development (R&D) and marketing resources than we have. These 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, lower components costs, lower facilities costs, lower operating costs or lower taxes; and
- have excess capacity, and be better able to utilize such 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 evaluating the merits of manufacturing products internally against the advantages of outsourcing. In the past, some of our customers moved a portion of their manufacturing from us in order to more fully utilize their excess internal manufacturing capacity.

We may be operating at a cost disadvantage compared to competitors who (a) have greater direct buying power from component suppliers, distributors and raw material suppliers, (b) have lower cost structures as a result of their geographic location or the services they provide, (c) are willing to make sales or provide services at lower margins than we do (including relationships where our competitors are willing to accept a lower margin from certain of their customers for whom they perform other higher margin business) or (d) have increased their vertical capabilities, thereby potentially providing them greater cost savings. As a result, competitors may procure a competitive advantage and obtain business from our customers. Our manufacturing processes are generally not subject to significant proprietary protection. In addition, companies with greater resources or a greater market presence may enter our market or increase their competition with us. We also expect our competitors to continue to improve the performance of their current products or services, to reduce the sales prices of their current products or services and to introduce new products or services that may offer greater performance and improved pricing. Any of these developments could cause a decline in our sales, loss of market acceptance of our products or services, compression of our profits or loss of our market share.

The economies of the U.S., Europe and certain countries in Asia are, or have been, in a recession.

There was an erosion of global consumer confidence amidst concerns over declining asset values, inflation, volatility in energy costs, geopolitical issues, the availability and cost of credit, high unemployment, and the stability and solvency of financial institutions, financial markets, businesses, and sovereign nations. These concerns slowed global economic growth and resulted in recessions in many countries, including in the U.S., Europe and certain countries in Asia. Even though we have seen signs of an overall economic recovery in the U.S., Europe and Asia, such recovery may be weak and/or short-lived and recessionary conditions may return, which could significantly affect the U.S. and international debt and capital markets, as well as the demand for the products of certain of our customers.

If any of these potential negative economic conditions occur, a number of negative effects on our business could result, including customers or potential customers reducing or delaying orders, increased pricing pressures, the insolvency of key suppliers, which could result in production delays, the inability of customers to obtain credit, and the insolvency of one or more customers. Thus, these economic conditions (1) could negatively impact our ability to (a) forecast customer demand, (b) effectively manage inventory levels, including our ability to limit our possession of excess or obsolete inventory and (c) collect receivables in a timely manner, if at all; (2) could increase our need for cash; and (3) have negatively impacted, and could negatively impact in the future, our net revenue and profitability and the value of certain of our properties and other assets. Depending on the length of time that these conditions exist, they may cause future additional negative effects, including some of those listed above.

The financial markets have experienced significant turmoil, which may adversely affect financial arrangements we may need to enter into, refinance or repay.

Credit market turmoil could negatively impact the counterparties to our forward foreign exchange contracts and trade accounts receivable securitization and sale programs; the lenders under Jabil Circuit, Inc.'s (the "Company's") five year unsecured credit facility amended as of July 6, 2015 which provides for a revolving credit (the "Revolving Credit Facility") and a five year delayed draw term loan facility (the "Term Loan Facility" and, together with the Revolving Credit Facility, the "Credit Facility"); and the lenders under various of our foreign subsidiary credit facilities. These potential negative impacts could potentially limit our ability to borrow under these financing agreements, contracts, facilities and programs. In addition, if we attempt to obtain future additional financing, such as renewing or refinancing our $200.0 million North American asset-backed securitization program expiring on October 20, 2017, our $175.0 million foreign asset-backed securitization program expiring on May 1, 2018, our $450.0 million uncommitted trade accounts receivable sale program expiring on November 1, 2015 (though either party can elect to terminate the agreement upon 15 days prior notice and the agreement will be automatically extended each year through August 31, 2017 unless any party gives no less than 30 days prior notice that the agreement should not be extended), our $150.0 million uncommitted trade accounts receivable sale program subject to expiration on August 31, 2016 (as the agreement was extended on August 31, 2015), or our $100.0 million uncommitted trade accounts receivable program expiring on November 1, 2015 (though either party can elect to cancel the agreement by giving prior written notification to the other party of no less than 15 days and the agreement may be automatically extended each year through November 1, 2018, unless any party gives no less than 30 days prior notice that the agreement should not be extended), the effects of the credit market turmoil could negatively impact our ability to renew or obtain such financing. Finally, credit market turmoil has negatively impacted certain of our customers and certain of their respective customers. These impacts could have several consequences which could have a negative effect on our results of operations, including one or more of the following: a negative impact on our liquidity, including potentially insufficient cash flows to support our operations; a decrease in demand for our services; a decrease in demand for our customers' products; and bad debt charges or inventory write-offs.

Our business could be adversely affected by any delays, or increased costs, resulting from issues that our common carriers are dealing with in 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 from us to our customers. Problems suffered by any of these common carriers, whether due to a natural disaster, labor problem, increased energy prices, criminal activity or some other issue, could result in shipping delays, increased costs, or other supply chain disruptions, and could therefore have a material adverse effect on our operations. For example, the recent West Coast port stoppage resulted in delays in receiving certain components needed for our products, in turn delaying shipments by us.

We derive a majority of our revenue from our international operations, which may be subject to a number of risks and often require more management time and expense to achieve profitability than our domestic operations.

We derived 88.0% of net revenue from international operations during the fiscal year ended August 31, 2015 compared to 84.5% during the fiscal year ended August 31, 2014. At August 31, 2015, we operate outside the U.S. in Vienna, Austria; Hasselt, Belgium; Belo Horizonte and Manaus, Brazil; Ottawa, Canada; Beijing, Chengdu, Hong Kong, Huangpu, Nanjing, Shanghai, Shenzhen, Suzhou, Tianjin, Wuhan, Wuxi, Yantai and Zhejiang, China; Kankaanpaa and Tampere, Finland; Brest and Chartres, France; Jena and Knittlingen, Germany; Nagyigmand, Szombathely and Tiszaujvaros, Hungary; Mumbai, Pune and Ranjangaon, India; Bray and Waterford, Ireland; Tel Aviv, Israel; Marcianise, Italy; Gotemba and Hachioji, Japan; Penang, Malaysia; Chihuahua, Guadalajara and Tijuana, Mexico; Kwidzyn, Poland; Moscow and Tver, Russia; Ayr and Livingston, Scotland; Tampines, Singapore; Seoul, South Korea; Tortosa, Spain; Changhua, Hsinchu, Taichung City and Taipei, Taiwan; Venray, The Netherlands; Uzhgorod, Ukraine; and Ho Chi Minh City, Vietnam. We continually consider additional opportunities to make foreign acquisitions and construct and open new foreign facilities. Our international operations are, have been and may be subject to a number of risks, including:

- difficulties in staffing and managing foreign operations and attempting to ensure they comply with our policies, procedures, and applicable local laws;

- less flexible employee relationships that can be difficult and expensive to terminate due to, among other potential reasons, burdensome labor laws and regulations;

- rising labor costs (including the introduction or expansion of certain social programs), in particular within the lower-cost regions in which we operate, due to, among other things, demographic changes and economic development in those regions, which we may be unable to recover in our pricing to our customers;

- labor unrest and dissatisfaction, including potential labor strikes or claims;

- increased scrutiny by the media and other third parties of labor practices within our industry (including but not limited to working conditions, compliance with employment and labor laws and compensation) which may result in allegations of violations, more stringent and burdensome labor laws and regulations, increased strictness and inconsistency in the enforcement and interpretation of such laws and regulations, higher labor costs, and/or loss of revenues if our customers become dissatisfied with our labor practices and diminish or terminate their relationship with us;

- burdens of complying with a wide variety of foreign laws, including those relating to export and import duties, domestic and foreign import and export controls (including the International Traffic in Arms Regulations and the Export Administration Regulations ("EAR"), regulation by the United States Department of Commerce's Bureau of Industry and Security under the EAR), trade barriers (including tariffs and quotas), environmental policies and privacy issues, and local statutory corporate governance related to conducting business in foreign jurisdictions;

- less favorable, or relatively undefined, intellectual property laws;

- unexpected changes in regulatory requirements and laws or government or judicial interpretations of such regulatory requirements and laws and adverse trade policies, and adverse changes to any of the policies of either the U.S. or any of the foreign jurisdictions in which we operate;

- adverse changes in tax rates and the manner in which the U.S. and other countries tax multinational companies or interpret their tax laws (see "Risk Factors — We are subject to the risk of increased taxes");

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

- political and economic instability and unsafe working conditions (including acts of terrorism, widespread criminal activities and outbreaks of war);
- risk of governmental expropriation of our property;
- inadequate infrastructure for our operations (e.g., lack of adequate power, water, transportation and raw materials);
- 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.;
- health concerns and related government actions;
- coordinating our communications and logistics across geographic distances and multiple time zones;
- longer customer payment cycles and difficulty collecting trade accounts receivable;
- fluctuations in currency exchange rates, which could affect local payroll and other expenses (see "Risk Factors — We are subject to risks of currency fluctuations and related hedging operations"); and
- economies that are emerging or developing or that may be subject to greater currency volatility, negative growth, high inflation, limited availability of foreign exchange and other risks (see "Risk Factors — The economies of the U.S., Europe and certain countries in Asia are, or have been, in a recession").

These factors may harm our results of operations. Also, any measures that we may implement to reduce risks of our international operations may not be effective, may increase our expenses, and may require significant management time and effort. In our experience, entry into new international markets requires considerable management time as well as start-up expenses for market development, hiring and establishing facilities before any significant revenue is generated. As a result, initial operations in a new market may operate at low margins or may be unprofitable.

Another significant legal risk resulting from our international operations is the risk of non-compliance with the U.S. Foreign Corrupt Practices Act (the "FCPA") and the United Kingdom Bribery Act (the "ACT"). In many foreign countries, particularly in those with developing economies, it may be a local custom that businesses operating in such countries engage in business practices that are prohibited by the FCPA, the ACT or other U.S. or foreign laws and regulations. Although we have implemented policies and procedures designed to cause compliance with the FCPA, the ACT and similar laws, there can be no assurance that all of our employees and agents, as well as those companies to which we outsource certain of our business operations, will not take actions in violation of our policies. Any such violation, even if prohibited by our policies, could have a material adverse effect on our operations.

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

Areas of our business at times experience periods of rapid growth which can place considerable additional demands upon our management team and our operational, financial and management information systems. Our ability to manage growth effectively requires us to continue to implement and improve these systems; avoid cost overruns; maintain customer, supplier and other favorable business relationships during possible transition periods; efficiently and effectively dedicate resources to existing customers; acquire or construct additional facilities; occasionally transfer operations to different facilities; acquire equipment in anticipation of demand; continue to develop the management skills of our managers and supervisors; adapt relatively quickly to new markets or technologies and continue to train, motivate and manage our employees. Our failure to effectively manage growth could have a material adverse effect on our results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

We have on occasion not achieved, and may not in the future achieve, expected profitability from our acquisitions; and some divestitures may adversely affect our financial condition, results of operations or cash flows.

We cannot assure you that we will be able to successfully integrate the operations and management of our recent acquisitions. Similarly, we cannot assure you that we will be able to (1) identify future strategic acquisitions and adequately conduct due diligence, (2) consummate these potential acquisitions on favorable terms, if at all, or (3) if consummated, successfully integrate the operations and management of future acquisitions. Acquisitions involve significant risks, which could have a 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 the acquired operations and businesses; (2) an increase in our expenses and working capital requirements, which could reduce our return on invested capital; (3) potential known and unknown liabilities of the acquired businesses, as well as contractually-based time and monetary limitations on a seller's obligation to indemnify us for such liabilities; (4) costs associated with integrating acquired operations and businesses; (5) the dilutive effect of the issuance of any additional equity securities we issue as consideration for, or to finance, the acquisition; (6) the incurrence of additional debt; (7) the financial impact of incorrectly valuing goodwill and other intangible assets involved in any acquisitions, potential future impairment write-downs of goodwill and indefinite life intangibles and the amortization of other intangible assets; (8) possible adverse tax and accounting effects; and (9) the risk that we spend substantial amounts purchasing these manufacturing facilities and assume significant contractual and other obligations with no guaranteed levels of revenue or that we may have to close or sell acquired facilities at our cost, which may include substantial employee severance costs and asset write-offs, which have resulted, and may result, in our incurring significant losses.

- Operating risks, such as (1) the diversion of management's attention and resources to the assimilation of the acquired businesses and their employees and to the management of expanding operations; (2) the risk that the acquired businesses will fail to maintain the quality of services that we have historically provided; (3) the need to implement financial and other systems and add management resources; (4) the need to maintain customer, supplier or other favorable business relationships of acquired operations and restructure or terminate unfavorable relationships; (5) the potential for deficiencies in internal controls of the acquired operations; (6) the inability to attract and retain the employees necessary to support the acquired businesses; (7) potential inexperience in a line of business that is either new to us or that has become materially more significant to us as a result of the transaction; (8) unforeseen difficulties (including any unanticipated liabilities) in the acquired operations; (9) the impact on us of any unionized work force we may acquire or any labor disruptions that might occur; (10) the possibility that the acquired business's past transactions or practices before our acquisition may lead to future commercial or regulatory risks; and (11) the difficulty of presenting a unified corporate image.

Although we conduct what we believe to be a prudent level of due diligence regarding the businesses we purchase, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual condition of these businesses. Until we actually assume operating control of such businesses and their assets and operations, we may not be able to ascertain the actual value or understand the potential liabilities of the acquired entities and their operations.

In addition, divestitures involve significant risks (some of which were present in the sale of our Aftermarket Services ("AMS") business on April 1, 2014), which could have a material adverse effect on us including: we may not be able to identify acceptable buyers; we may divest a business at a price or on terms that are different than anticipated; we may lose key employees; divestitures could adversely affect our profitability and, under certain circumstances, require us to record impairment charges or a loss as a result of the transaction; completing divestitures requires expenses and management effort; we may become subject to indemnity obligations and/or remain liable or contingently liable for obligations related to the divested business or operations; a delay or failure to close for any reason, including a failure to obtain the necessary third party consents and regulatory approvals; the retention of certain continuing liabilities under contracts; financing for the transaction not occurring as anticipated; equity consideration proving to have a value substantially less than the stated or expected value or not being transferable to a third party on attractive terms; covenants not to compete (such as we entered into in connection with the sale of our AMS business) could impair our ability to attract and retain customers; business arrangements with the buyers could negatively impact our business with common customers; and we may face difficulties in the separation of the divested operations, services, products and personnel.

Most of our acquisitions involve operations outside of the U.S. which are subject to various risks including those described in "Risk Factors — We derive a majority of our revenue from our international operations, which may be subject to a number of risks and often require more management time and 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 from our customers (or potential customers). In these acquisitions, the divesting company will typically enter into a supply arrangement with the acquirer. Therefore, our competitors often also pursue these acquisitions. In addition, certain divesting companies may choose not to offer to sell their operations to us because of our current supply arrangements with other companies or may require terms and conditions that may impact our profitability. If we are unable to attract and consummate some 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 other risks, including the 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, pricing requirements and cost reductions; and
- if demand for the divesting company's products declines, it may reduce its volume of purchases and we may not be able to sufficiently reduce the expenses of operating the facility we acquired from it or use such facility to provide services to other customers.

In addition, when acquiring manufacturing operations, we may receive limited commitments to firm production schedules. Accordingly, in these circumstances, we may spend substantial amounts purchasing these manufacturing facilities and assume significant contractual and other obligations with no or insufficient guaranteed levels of revenue. We may also not achieve expected profitability from these arrangements. As a result of these and other risks, these outsourcing opportunities may not be profitable.

We have expanded the primary scope of our acquisitions strategy beyond focusing on acquisition opportunities presented by companies divesting internal manufacturing operations. The more recent acquisitions focus on pursuing opportunities to acquire businesses that are focused on certain of our key growth areas which include specialized manufacturing, design operations and other acquisition opportunities complementary to our services offerings. The primary goals of our acquisition strategy are to complement our current capabilities, diversify our business into new industry sectors and with new customers and expand the scope of the services we can offer to our customers. The amount and scope of the risks associated with acquisitions of this type extend beyond those that we have traditionally faced in making acquisitions. These extended risks include greater uncertainties in the financial benefits and 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 improving utilization and realizing cost savings in the future. These initiatives have included changing the number and location of our production facilities, largely to align our capacity and infrastructure with current and anticipated customer demand. This alignment includes transferring programs from higher cost geographies to lower cost geographies. The process of restructuring entails, among other activities, moving production between facilities, closing facilities, reducing the level of staff, realigning our business processes and reorganizing our management.

We continuously evaluate our operations and cost structure relative to general economic conditions, market and customer demands, tax rates, cost competitiveness and our geographic footprint as it relates to our customers' production requirements. As a result of this ongoing evaluation, we initiated restructuring plans approved by our Board of Directors in fiscal year 2014 (the "2014 Restructuring Plan") and in fiscal year 2013 (the "2013 Restructuring Plan"). See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations — The Fiscal Year Ended August 31, 2015 Compared to the Fiscal Year Ended August 31, 2014 and Note 14 — "Restructuring and Related Charges" to the Consolidated Financial Statements for further details. In addition, we could initiate future restructuring plans. If we incur restructuring charges related to the 2013 Restructuring Plan, or in connection with any potential future restructuring program, in addition to those charges that we currently expect to incur, our financial condition and results of operations may suffer.

Restructurings present significant potential risks of events occurring that could adversely affect us, including a decrease in employee morale, delays encountered in finalizing the scope of, and implementing, the restructurings (including extensive consultations concerning potential workforce reductions and obtaining agreements from our affected customers for the relocation of our facilities in certain instances), the failure to achieve targeted cost savings, the failure to meet operational targets and customer requirements due to the loss of employees and any work stoppages that might occur and the strain placed on our financial and management control systems and resources. These risks are further complicated by our extensive international operations, which subject us to different legal and regulatory requirements that govern the extent and speed of our ability to reduce our manufacturing capacity and workforce. In addition, the current global economic conditions may change how governments regulate restructuring as the recent global recession has impacted local economies. Finally, we may have to obtain agreements from our affected customers for the relocation of our facilities in certain instances. Obtaining these agreements, along with the volatility in our customers' demand, can further delay restructuring activities.

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 evolving process development. The continued success of our business will depend upon our ability to:

- hire, retain and expand our qualified engineering and technical personnel;
- maintain and continually improve our technological expertise;
- 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 timely basis.

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

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

We manufacture and design products to our customers' specifications, and, in some cases, our manufacturing sites, processes or facilities may need to comply with applicable statutory and regulatory requirements as well as certain customer-driven standards. For example, medical devices that we manufacture or design, as well as the facilities and manufacturing processes that we use to produce them, are regulated by the U.S. Food and Drug Administration ("FDA") and non-U.S. counterparts of this agency. Similarly, items we manufacture for customers in the defense and aerospace industries, as well as the processes we use to produce them, are regulated by the Department of Defense and the Federal Aviation Authority. If we do not conduct our business at those facilities at which this business is conducted in accordance with applicable laws, we may be subject to civil or criminal penalties and administrative sanctions by either the government, the customer or third parties. Also, we may be subject to standards established by certain customers, industry groups or other third party organizations (e.g., certain standards relating to labor practices). In addition, our customers' products and the manufacturing processes and design services that we use to produce them often are highly complex. As a result, products that we manufacture or design may at times contain manufacturing or design defects, and our processes may be subject to errors or not be in compliance with applicable statutory and regulatory requirements. Defects in the products we manufacture or design, whether caused by a design, manufacturing or component failure or error, or deficiencies in our manufacturing processes, may result in delayed shipments to customers or reduced or canceled customer orders. If these defects or deficiencies are significant, our business reputation may also be damaged. The failure of the products that we manufacture or of our manufacturing processes or facilities to comply with applicable statutory and regulatory requirements may subject us to regulatory enforcement, legal fines or penalties and, in some cases, require us to shut down, temporarily halt operations or incur considerable expense to correct a manufacturing process or facility. In addition, these defects may result in liability claims against us, expose us to liability to pay for the recall or remanufacture of a product or adversely affect product sales or our reputation. The magnitude of such claims may increase as we expand our medical and aerospace and defense manufacturing services, as defects in medical devices and aerospace and defense systems could cause death or seriously harm users of these products and others. Even if our customers are responsible for the defects or defective specifications, they may not, or may not have resources to, assume responsibility for any costs or liabilities arising from these defects, which could expose us to additional liability claims. Any of these actions could increase our expenses, reduce our revenue or damage our reputation as a supplier to these customers.

We may face heightened liability risks specific to our medical device business as a result of additional healthcare regulatory related compliance requirements and the potential severe consequences that could result from manufacturing defects or malfunctions (e.g., death or serious injury) of the medical devices we manufacture or design.

As a manufacturer and designer of medical devices for our customers, we have compliance requirements in addition to those relating to other areas of our business. We are required to register with the FDA and are subject to periodic inspection by the FDA for compliance with the FDA's Quality System Regulation ("QSR") and current Good Manufacturing Practices (cGMP) requirements, which require manufacturers of medical devices to adhere to certain regulations and to implement design and process manufacturing controls, quality control, labeling, handling and documentation procedures. The FDA, through periodic inspections and product field monitoring, continually reviews and rigorously monitors compliance with these QSR requirements and other applicable regulatory requirements. If any FDA inspection reveals noncompliance, and we do not address the FDA's concerns to its satisfaction, the FDA may take action against us, including issuing a form noting the FDA's inspection observations, a notice of violation or a warning letter, imposing fines, bringing an action against the Company and its officers, requiring a recall of the products we manufactured for our customers, issuing an import detention on products entering the U.S. from an offshore facility or temporarily halting operations at or shutting down a manufacturing facility. Beyond the FDA, our medical device business is subject to additional state and foreign regulatory requirements which may also impact our ability to continue operations if these entities were to allege noncompliance and take action against us. If any of these were to occur, our reputation and business could suffer.

In addition, any defects or malfunctions in medical devices we manufacture or in our manufacturing processes and facilities may result in liability claims against us, expose us to liability to pay for the recall or remanufacture of a product, or otherwise adversely affect product sales or our reputation. The magnitude of such claims could be particularly severe as defects in medical devices could cause severe harm or injuries, including death, to users of these products and others.

Our manufacturing processes and services may result in exposure to intellectual property infringement and other claims.

Providing manufacturing services can expose us to potential claims that products, designs or manufacturing processes we use infringe third party intellectual property rights. Even though many of our manufacturing services contracts generally require our customers to indemnify us for infringement claims relating to their products, including associated product specifications and designs, a particular customer may not, or may not have the resources to, assume responsibility for such claims. In addition, we may be responsible for claims that our manufacturing processes or components used in manufacturing infringe third party intellectual property rights. Infringement claims could subject us to significant liability for damages, potential injunctive action, or hamper our normal operations such as by interfering with the availability of components and, regardless of merits, could be time-consuming and expensive to resolve, and have a material adverse effect on our results of operations and financial position. In the event of such a claim, we may be required to spend a significant amount of money to develop non-infringing alternatives or obtain and maintain licenses. We may not be successful in developing such alternatives or obtaining and maintaining such a license on reasonable terms or at all. Our customers may be required to or decide to discontinue products which are alleged to be infringing rather than face continued costs of defending the infringement claims, and such discontinuance may result in a significant decrease in our business. The risks described in this Risk Factor may be heightened in connection with our customer relationships with emerging companies.

Our design services and turnkey solutions offerings may result in additional exposure to product liability, intellectual property infringement and other claims, in addition 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 relating to products that we manufacture for our customers. We also offer turnkey solutions that include the design and manufacture of end-user products, and product components, as well as related services. Providing such turnkey solutions or other design solutions can expose us to different or greater potential liabilities than those we face when providing just manufacturing services, including an increase in exposure to potential product liability claims resulting from injuries caused by defects in products we design, as well as potential claims that products we design or supply, or materials or components we use, infringe third party intellectual property rights. Such claims could subject us to significant liability for damages, subject the infringing portion of our business to injunction and, regardless of their merits, could be time-consuming and expensive to resolve. We also may have greater potential exposure from warranty claims and from product recalls due to problems caused by product design. Costs associated with possible product liability claims, intellectual property infringement claims and product recalls could have a material adverse effect on our results of operations and financial position. In the event of such a claim, we may be required to spend a significant amount of money to develop non-infringing alternatives or obtain and maintain licenses. We may not be successful in developing such alternatives or obtaining and maintaining such a license on reasonable terms or at all. When providing turnkey solutions or other design solutions, we may not be guaranteed revenue needed to recoup or profit from the investment in the resources necessary to design and develop products or provide services. No revenue may be generated from these efforts, particularly if our customers do not approve the designs in a timely manner or at all, or if they do not then purchase anticipated levels of products. Furthermore, contracts may allow the customer to delay or cancel deliveries and may not obligate the customer to any volume of purchases, or may provide for penalties or cancellation of orders if we are late in delivering designs or products. We may also have the responsibility to ensure that products we design or offer satisfy certain standards, like safety and regulatory standards, and to obtain any necessary certifications. Failure to timely obtain the necessary approvals or certifications could prevent us from selling these products, 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 designs. If a turnkey solutions product or component that we design is found to be defective in its design, this may lead to increased warranty claims. Warranty claims may also extend to defects caused by components or materials used in the products, including components and materials provided to us by our suppliers. Although we have product liability insurance coverage, it may not be adequate or may not continue to be available on acceptable terms, in sufficient amounts, or at all. A successful product liability claim in excess of our insurance coverage or any material claim for which insurance coverage was denied or limited and for which indemnification was not available could have a material adverse effect on our results of operations and financial position. Moreover, even if the claim relates to a defect caused by a supplier, we may not be able to get an adequate remedy from the supplier.

The success of certain aspects of our business depends in part on our ability to obtain, protect and leverage intellectual property rights.

In certain circumstances, we strive to obtain and protect certain intellectual property rights related to solutions, designs, processes and products that we create. We believe that obtaining a significant level of protected proprietary technology may give us a competitive marketing advantage. However, we cannot be certain that the measures that we employ will result in protected intellectual property rights or will result in the prevention of unauthorized use of our technology. If we are unable to obtain and protect intellectual property rights embodied within our solutions, designs, processes and products, this could reduce or eliminate competitive advantages of our proprietary technology, which would harm our business and could have a material adverse effect on our results of operations and financial position.

In addition to selectively relying on patent rights, we rely on unpatented proprietary know-how and trade secrets, and employ various methods, including non-disclosure agreements with our customers, employees, and suppliers and our internal security systems, policies and procedures to protect our know-how and trade secrets. However, these mechanisms may not afford complete, or sufficient protection, and misappropriation may still occur. Further, there can be no assurance that we will, or will be able to, acquire or enforce our patent or other rights, if any, and that others will not independently develop similar know-how and trade secrets, or develop better production methods than us. We have not historically sought patent protection for many of our proprietary processes, designs or other patentable intellectual property. Further, we may not be able to prevent current and former employees, contractors and other parties from breaching non-disclosure agreements and misappropriating proprietary information and it is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. If any of the foregoing occur, it could impair our ability to compete with others in our industry.

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

Products we manufacture and/or services we provide may infringe the intellectual property rights of third parties, some of who may hold key intellectual property rights in areas in which we operate. Some of these third parties may compete with us, our suppliers or our customers. Some of these third parties may not actively provide competing products or services. Patent clearance or licensing activities, if any, may be inadequate to anticipate and avoid third party claims. As a result, in addition to the risk that we could become subject to claims of intellectual property infringement, our customers or suppliers could become subject to infringement claims.

Additionally, customers for our turnkey solutions or design services in which we have significant technology contributions, typically require that we indemnify them against the risk of intellectual property infringement. If any claims are brought against our customers, our suppliers or us for such infringement, regardless of their merits, we could be required to expend significant resources in the defense or settlement of such claims, or in the defense or settlement of related indemnification claims from our customers. In the event of a claim, we may be required to spend a significant amount of money to develop non-infringing alternatives or obtain and maintain licenses. We may not be successful in developing such alternatives or obtaining or maintaining such licenses on reasonable terms or at all. We, our suppliers or our customers may be required to or decide to discontinue products which are alleged to be infringing rather than face continued costs of defending the infringement claims, and such discontinuance may result in a significant decrease in our business, and could have a material adverse effect on our results of operations and financial position.

We depend on attracting and retaining officers, managers and skilled personnel and on their compliance with company strategies and confidentiality policies and procedures.

Our success depends to a large extent upon the continued services of our officers, managers and skilled personnel. Generally our employees are not bound by employment or non-competition agreements, and we cannot assure you that we will retain our officers, managers and skilled personnel. We could be seriously harmed by the loss of any of our executive officers or multiple managers or skilled personnel. To aid in managing our growth and strengthening our management and skilled personnel, we will need to internally develop, recruit and retain additional skilled management personnel. If we are not able to do so, our business and our ability to continue to grow could be harmed.

We establish strategic goals and ethical conduct policies. We are subject to risks if our officers and managers act inconsistently with our strategic goals or violate such ethical conduct policies. We are also subject to the risk that current and former officers, managers and skilled personnel could violate the terms of our confidentiality policies and procedures or proprietary information agreements with us which require them to keep confidential and not to use for their benefit information obtained in the course of their employment with us. Should a key current or former employee use or disclose such information, including information concerning our customers, pricing, capabilities or strategy, our ability to obtain new customers and to compete could be adversely impacted.

Any delay in the implementation of our information systems could disrupt our operations and cause unanticipated increases in our costs.

We have completed the installation of an enterprise resource planning system in most of our manufacturing sites and in our corporate location. We are currently in the process of installing this system in certain of our remaining facilities which will replace the existing planning and financial information systems. Any delay in the implementation of these information systems could result in material adverse consequences, including disruption of operations, loss of information and unanticipated increases in costs.

Disruptions to our information systems, including security breaches, losses of data or outages, and other security issues, could adversely affect our operations.

We rely on information systems, some of which are owned and operated by third parties, to store, process and transmit confidential information, including financial reporting, inventory management, procurement, invoicing and electronic communications, belonging to our customers, our suppliers, our employees and/or us. We attempt to monitor and mitigate our exposure and modify our systems when warranted and we have implemented certain business continuity items including data backups at alternative sites. Nevertheless, these systems are vulnerable to, and at times have suffered from, among other things, damage from power loss or natural disasters, computer system and network failures, loss of telecommunication services, physical and electronic loss of data, terrorist attacks, security breaches and computer viruses. We regularly face attempts by others to access our information systems in an unauthorized manner, to introduce malicious software to such systems or both. The increased use of mobile technologies can heighten these and other operational risks. If we, or the third parties who own and operate certain of our information systems, are unable to prevent such breaches, losses of data and outages, our operations could be disrupted. In addition, any production inefficiencies or delays could negatively affect our ability to fill customer orders, resulting in a delay or reduction in our revenues. Also, the time and funds spent on monitoring and mitigating our exposure and responding to breaches, including the training of employees, the purchase of protective technologies and the hiring of additional employees and consultants to assist in these efforts could adversely affect our financial results. Finally, any theft or misuse of information resulting from a security breach could result in, among other things, loss of significant and/or sensitive information, litigation by affected parties, financial obligations resulting from such theft or misuse, higher insurance premiums, governmental investigations, negative reactions from current and potential future customers (including potential negative financial ramifications under certain customer contract provisions) and poor publicity and any of these could adversely affect our financial results.

Compliance or the failure to comply with current and future environmental, health and safety, product stewardship and producer responsibility laws or regulations could cause us significant expense.

We are subject to a variety of federal, state, local and foreign environmental, health and safety, product stewardship and producer responsibility laws and regulations, including those relating to the use, storage, discharge and disposal of hazardous chemicals used during our manufacturing process, those governing worker health and safety, those requiring design changes, supply chain investigation or conformity assessments or those relating to the recycling or reuse of products we manufacture. If we fail to comply with any present or future regulations, we could become subject to liabilities, and we could face fines or penalties, the suspension of production, or prohibitions on sales of products we manufacture. In addition, such regulations could restrict our ability to expand our facilities or could require us to acquire costly equipment, or to incur other significant expenses, including expenses associated with the recall of any non-compliant product or with changes in our operational, procurement and inventory management activities.

While we have not been required historically to make significant capital expenditures in order to comply with applicable environmental laws and regulations, we cannot predict with any certainty our future capital expenditure requirements because of continually changing compliance standards and environmental technology.

Certain environmental laws impose liability for the costs of investigation, removal and remediation of hazardous or toxic substances on an owner, occupier or operator of real estate, or on parties who arranged for hazardous substance treatment or disposal, even if such person or company was unaware of, or not responsible for, contamination at the affected site. Soil and groundwater contamination may have occurred at or near, or may have arisen from, some of our facilities. From time to time we investigate, remediate and monitor soil and groundwater contamination at certain of our operating sites. In certain instances where contamination existed prior to our ownership or occupation of a site, landlords or former owners have retained some contractual responsibility for contamination and remediation. However, failure of such persons to perform those obligations could result in us being required to address such contamination. As a result, we may incur clean-up costs in such potential removal or remediation efforts. In other instances, we may be responsible for clean-up costs and other liabilities, including the possibility of claims due to health risks by both employees and non-employees, as well as other third-party claims in connection with contaminated sites.

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

As an example, under the Dodd-Frank Act, some companies, including ours, are subject to new due diligence, disclosure and reporting requirements for manufacturing products that include components containing certain minerals originating from the DRC or adjoining countries. These regulations may result in a decrease in the supply of such minerals, an increase in their cost and/or a disruption to our supply chain. In addition, if our due diligence process to verify the origin of minerals contained in components of our customers' products or from our suppliers is not completed timely or results in findings that such minerals are sourced from restricted countries, our reputation may be adversely affected, which in turn may adversely affect our operations and financial results. Compliance with the applicable SEC requirements has been both relatively time consuming and costly.

Our failure to comply with any applicable regulatory requirements or with related contractual obligations could result in our being directly or indirectly liable for costs (including product recall and/or replacement costs), fines or penalties and third party claims, and could jeopardize our ability to conduct business in the jurisdictions implementing them.

In addition, there is an increasing governmental focus around the world on global warming and environmental impact issues, which may result in new environmental, health and safety regulations that may affect us, our suppliers and our customers. This could cause us to incur additional direct costs for compliance, as well as increased indirect costs resulting from our customers, suppliers or both incurring additional compliance costs that get passed on to us. These costs may adversely impact our operations and financial condition.

We and our customers are increasingly concerned with environmental issues, such as waste management (including recycling) and climate change (including reducing carbon outputs). We expect these concerns to grow and require increased investments of time and resources.

We have limited insurance coverage for potential environmental liabilities associated with current operations and we do not anticipate increasing such coverage in the future.

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 laws of the various countries in which we have assets or conduct activities. Our tax position, however, is subject to review and possible challenge by taxing authorities and to possible changes in law (including adverse changes to the manner in which the U.S. and other countries tax multinational companies or interpret their tax laws). We cannot determine in advance the extent to which some jurisdictions may assess additional tax or interest and penalties on such additional taxes. In addition, our effective tax rate may be increased by the generation of higher income in countries with higher tax rates, changes in the valuation of deferred tax assets and liabilities, changes in our cash management strategies, changes in local tax rates or countries adopting more aggressive interpretations of tax laws.

Refer to Note 5 — “Income Taxes” to the Consolidated Financial Statements for details of the field examination completed by the Internal Revenue Service (“IRS”) of our tax returns for the fiscal years 2009 through 2011 which resulted in proposed adjustments. While we currently believe that the resolution of these issues will not have a material adverse effect on our financial position, results of operations or cash flows, an unfavorable resolution, particularly if the IRS successfully asserts similar claims for later years, could have a material adverse effect on our results of operations and financial condition.

Several countries in which we are located allow for tax incentives to attract and retain business. We have obtained incentives where available and practicable. Our taxes could increase if certain tax incentives are retracted (such as occurred with our calendar year 2011 Shanghai tax incentive), which could occur if we are unable to satisfy the conditions on which such incentives are based, if they are not renewed upon expiration, or if tax rates applicable to us in such jurisdictions otherwise increase. It is not anticipated that any tax incentives will expire within the next year. However, due to the possibility of changes in existing tax law and our operations, we are unable to predict how any expirations will impact us in the future. In addition, acquisitions may cause our effective tax rate to increase, depending on the jurisdictions in which the acquired operations are located.

Certain of our subsidiaries provide financing, products and services to, and may undertake certain significant transactions with, other subsidiaries in different jurisdictions. Moreover, several jurisdictions in which we operate have tax laws with detailed transfer pricing rules which require that all transactions with non-resident related parties be priced using arm’s length pricing principles, and that contemporaneous documentation must exist to support such pricing. There is a risk that the taxing authorities may not deem our transfer pricing documentation acceptable.

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 our suppliers and customers, rely on various energy sources (including oil) in our facilities and transportation activities. An increase in energy prices, which have been volatile over the past few years, could cause an increase to our raw material costs and transportation costs. In addition, increased transportation costs of certain of our suppliers and customers could be passed along to us. We may not be able to increase our product prices enough to offset these increased costs. In addition, any increase in our product prices may reduce our future customer orders and profitability.

Our credit rating may be downgraded.

Our credit is rated by credit rating agencies. Our 7.750% Senior Notes, our 8.250% Senior Notes, our 5.625% Senior Notes and our 4.700% Senior Notes are currently rated BBB- by Fitch Ratings ("Fitch") and Standard and Poor's Ratings Service ("S&P") and Ba1 by Moody's Investors Service ("Moody's"), and are considered to be below "investment grade" debt by Moody's and "investment grade" debt by Fitch and S&P. Any potential future negative change in our credit 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; negatively impact the price of our common stock; increase our interest payments under existing debt agreements; and have other negative implications on our business, many of which are beyond our control. In addition, the interest rate payable on the 8.250% Senior Notes and under the Credit Facility is subject to adjustment from time to time if our credit ratings change. Thus, any potential future negative change in our credit rating may increase the interest rate payable on the 8.250% Senior Notes, the Credit Facility and certain of our other borrowings.

Our amount of debt could significantly increase in the future.

As of August 31, 2015, our debt obligations consisted of $312.0 million under our 7.750% Senior Notes, $400.0 million under our 8.250% Senior Notes, $400.0 million under our 5.625% Senior Notes and $500.0 million under our 4.700% Senior Notes. As of August 31, 2015, there was $58.9 million outstanding under various bank loans to certain of our foreign subsidiaries and under various other debt obligations. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" and Note 8 — "Notes Payable, Long-Term Debt and Capital Lease Obligations" to the Consolidated Financial Statements for further details.

We have the ability to borrow up to $1.5 billion under the Revolving Credit Facility. In addition, the Revolving Credit Facility contemplates a potential increase of up to an additional $500.0 million, if we and the lenders later agree to such increase. Also, we have the ability to borrow up to $500.0 million under the Term Loan Facility. 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 expansion activities or make substantial investments in our infrastructure, our capital needs would increase and could possibly result in our need to increase available borrowings under our revolving credit facilities or access public or private debt and equity markets. There can be no assurance, however, that we would be successful in raising additional debt or equity on terms that we would consider acceptable. 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, capital expenditures, debt service 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 asset-backed securitization programs, including, among others, the 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 significant number of our operations are located outside the United States, however the majority of our business is conducted in U.S. dollar. Changes in exchange rates among other currencies and the U.S. dollar will affect our cost of sales, operating margins and net revenue. We cannot predict the impact of future exchange rate fluctuations. We use financial instruments, primarily forward contracts, to economically hedge U.S. dollar and other currency commitments arising from trade accounts receivable, trade accounts payable, fixed purchase obligations and other foreign currency obligations. Based on our calculations and current forecasts, we believe that our hedging activities enable us to largely protect ourselves from future exchange rate fluctuations. If, however, these hedging activities are not successful or if we change or reduce these hedging activities in the future, we may experience significant unexpected expenses from fluctuations in exchange rates.

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 obligations at interest rates that fluctuate based upon changes in various base interest rates. An adverse change in the base rates upon which our interest rates are determined could have a material adverse effect on our financial position, results of operations and cash flows. If certain economic or fiscal issues occur, interest rates could rise which would increase our interest costs and reduce our net income. Also, increased interest rates could make any future, fixed interest rate debt obligations more expensive.

We are exposed to intangible asset risk.

We have recorded intangible assets, including goodwill, which are attributable to business acquisitions. We are required to perform goodwill and intangible asset impairment tests at least on an annual basis and whenever events or circumstances indicate that the carrying value may not be recoverable from estimated future cash flows. As a result of our annual and other periodic evaluations, we may determine that the intangible asset values need to be written down to their fair values, which could result in material charges that could be adverse to our operating results and financial position.

We face certain risks in collecting our trade accounts receivable.

Most of our customer sales are paid for after the goods and services have been delivered. If any of our customers has any liquidity issues (the risk of which could be relatively high, relative to historical conditions, due to current economic conditions), then we could encounter delays or defaults in payments owed to us which could have a significant adverse impact on our financial condition and results of operations. While these risks can be exacerbated in connection with emerging companies, the amount of potential loss can be greater in connection with larger customers.

Our stock price may be volatile.

Our common stock is traded on the New York Stock Exchange (the "NYSE"). The market price of our common stock has fluctuated substantially in the past and could fluctuate substantially in the future, based on a variety of factors, including future announcements covering us or our key customers or competitors, government regulations, litigation, changes in earnings estimates by analysts, fluctuations in quarterly operating results, or general conditions in our industry and the automotive, consumer lifestyles and wearable technologies, defense and aerospace, digital home, emerging growth, healthcare, industrial and energy, mobility, networking and telecommunications, packaging, point of sale, printing and storage industries. Furthermore, stock prices for many companies and high technology companies in particular, fluctuate widely for reasons that may be unrelated to their operating results. Those fluctuations and general economic, political and market conditions, such as recessions or international currency fluctuations and 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 some shareholders might consider such a development to be favorable.

Provisions in our amended certificate of incorporation, bylaws and the Delaware General Corporation Law from time to time may delay, inhibit or prevent someone from gaining control of us through a tender offer, business combination, proxy contest or some other method. These provisions may adversely impact our shareholders because they may decrease the possibility of a transaction in which our shareholders receive an amount of consideration in exchange for their shares that is at a significant premium to the then current market price of our shares. These provisions include:

- a restriction in our bylaws 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.

In addition, for ten years we had a “poison pill” shareholder rights plan that our Board of Directors allowed to expire in October 2011 without extension. In doing that, our Board considered various relevant issues, including the fact that if needed and appropriate it can, under the Delaware General Corporation Law, implement a new shareholders rights plan reasonably quickly and without stockholder approval. Our Board regularly considers this topic, even in the absence of specific circumstances or takeover proposals, to facilitate its ability in the future to act expeditiously and appropriately should the need arise.

Changes in the securities laws and regulations have increased, and may continue to increase, our costs; and any future changes would likely increase our costs.

The Sarbanes-Oxley Act of 2002, as well as related rules promulgated by the SEC (including the Dodd-Frank Act) and the NYSE, required changes in some of our corporate governance, securities disclosure and compliance practices. Compliance with these rules increased our legal and financial accounting costs for several years following the announcement and effectiveness of these new rules. While these costs are no longer increasing, they may in fact increase in the future. In addition, due, at least in part, to the turmoil over the past several years in the securities and credit markets, as well as the global economy, many U.S. and international governmental, regulatory and supervisory authorities including, but not limited to, the SEC and the NYSE, have enacted additional changes in their laws, regulations and rules and may be contemplating additional changes. These changes, and any such future changes, 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 procedures will be successful in preventing all errors, theft and fraud, or in informing management of all material information in a timely manner.

Our Board management, including our CEO and CFO, do not expect that our disclosure controls and internal controls and procedures will prevent all errors, theft and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system reflects that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been or will be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur simply because of error or mistake. Additionally, controls can be circumvented by the 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, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

If we receive other than an unqualified opinion on the adequacy of our internal control over financial reporting as of August 31, 2016 or any future year-ends, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of your shares.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, larger public companies like us are required to include an annual report on internal control over financial reporting in their annual reports on Form 10-K that contains an assessment by management of the effectiveness of the company's internal control over financial reporting. Our independent registered certified public accounting firm, Ernst & Young LLP, issued an unqualified opinion on the effectiveness of our internal control over financial reporting as of August 31, 2015. While we continuously conduct a rigorous review of our internal control over financial reporting in order to try to assure compliance with the Section 404 requirements, if our independent registered certified public accounting firm interprets the Section 404 requirements and the related rules and regulations differently from us or if our independent registered certified public accounting firm is not satisfied with our internal control over financial reporting or with the level at which it is documented, operated or reviewed, they may issue an adverse opinion. An adverse opinion could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our Consolidated Financial Statements. In addition, we have spent a significant amount of resources, and will likely continue to for the foreseeable future, in complying with Section 404's requirements, particularly given the changes recently introduced by the Committee of Sponsoring Organizations ("COSO") to the manner in which internal controls over financial reporting must be administered.

There are inherent uncertainties involved in estimates, judgments and assumptions used in the preparation of financial statements in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Any changes in U.S. GAAP or in estimates, judgments and assumptions could have a material adverse effect on our financial position and results of operations.

The Consolidated Financial Statements included in the periodic reports we file with the SEC are prepared in accordance with U.S. GAAP. The preparation of financial statements in accordance with U.S. GAAP involves making estimates, judgments and assumptions that affect reported amounts of assets, liabilities and related reserves, revenues, expenses and income. Estimates, judgments and assumptions are inherently subject to change in the future, and any such changes could result in corresponding changes to the amounts of assets, liabilities and related reserves, revenues, expenses and income. Any such changes could have a material adverse effect on our financial position and results of operations. In addition, the principles of U.S. GAAP are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC and various bodies formed to create appropriate accounting policies, and interpret such policies. A change in those policies can have a significant effect on our accounting methods. For example, although not yet currently required, the SEC could require us to adopt the International Financial Reporting Standards in the next few years, which could have a significant effect on certain of our accounting methods. As another example, significant changes to the revenue recognition rules have been enacted and will apply to us beginning in fiscal year 2018.

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

Our operations and those of our customers and suppliers may be subject to natural disasters, climate change related events, or other business disruptions, which could seriously harm our results of operation and increase our costs and expenses. We are susceptible to losses and interruptions caused by hurricanes (including in Florida, where our headquarters are located), earthquakes, power shortages, telecommunications failures, water or other natural resource shortages, tsunamis, floods, typhoons, drought, fire, extreme weather conditions, rising sea level, geopolitical events such as terrorist acts, acts of war, international boycotts, or widespread criminal activities and other natural or manmade disasters. Such events could make it difficult or impossible to manufacture or to deliver products to our customers, receive production materials from our suppliers, or perform critical functions, which could adversely affect our business globally or in certain regions. While we maintain similar manufacturing capacities at different locations and coordinate multi-source supplier programs on many of our materials which would better enable us to respond to these types of events, we cannot be sure that our plans will fully protect us from all such disruptions. Our insurance coverage with respect to natural disasters is limited and is subject to deductibles and coverage limits. Such coverage may not be adequate, or may not continue to be available at commercially reasonable rates and terms.

While we manufacture our products in a large number of diversified facilities and maintain insurance covering our facilities, including business interruption insurance, a catastrophic loss of the use of all or a portion of one of our key manufacturing facilities due to accident, labor issues, weather conditions, natural disaster or otherwise, whether short or long-term, could have a material adverse effect on us.

We and our customers are subject to increasingly extensive government regulations and industry standards; failure to comply with such regulations and standards could have an adverse effect on our business, customer relationships, reputation and profitability.

We are subject to extensive government regulation and industry standards relating to the products we design and manufacture as well as how we conduct our business, including regulations and standards relating to labor and employment practices, workplace health and safety, the environment, sourcing and import/export practices, the market sectors we support and many other facets of our operations. The regulatory climate in the U.S. and other countries has become increasingly complex and fragmented, and regulatory activity has increased in recent periods. Failure or noncompliance with such regulations or standards could have an adverse effect on our reputation, customer relationships, profitability and results of operations.

Our customers are also required to comply with various government regulations, legal requirements and industry standards, including many of the industry-specific regulations discussed above. Our customers' failure to comply could affect their businesses, which in turn would affect our sales to them. In addition, if our customers are required by regulation or other requirements to make changes in their product lines, these changes could significantly disrupt particular programs for these customers and create inefficiencies in our business.

In addition to quality management standards, there are several other U.S. regulations that we are also required to follow, including the Federal Acquisition Regulations ("FAR"), which provides uniform policies and procedures for acquisition; the Defense Federal Acquisition Regulation Supplement, a DOD agency supplement to the FAR that provides DOD-specific acquisition regulations that DOD government acquisition officials, and those contractors doing business with DOD, must follow in the procurement process for goods and services; and the Truth in Negotiations Act, which is a law enacted for the purpose of providing for full and fair disclosure by contractors in the conduct of negotiations with the government.

We have addressed several other specific laws and regulations within various risk factors above.

Item 1B. Unresolved Staff Comments

We have not received any written comments from the SEC staff regarding our periodic or current reports under the Exchange Act that were received on or before the date that is 180 days before the end of our 2015 fiscal year and that remain unresolved.

Item 2. Properties

We own or lease facilities located in Austria, Belgium, Brazil, Canada, China, Finland, France, Germany, Hungary, India, Ireland, Israel, Italy, Japan, Malaysia, Mexico, The Netherlands, Poland, Russia, Scotland, Singapore, South Korea, Spain, Taiwan, Ukraine, the U.S. and Vietnam. As part of our historical restructuring programs, certain of our facilities are no longer used in our business operations, as identified in the table below. We believe that our properties are generally in good condition, are well maintained and are generally suitable and adequate to carry out our business at expected capacity for the foreseeable future. The table below lists the locations and square footage for our facilities as of August 31, 2015:

Location	Approximate Square Footage	Type of Interest (Leased/Owned)	Description of Use
Anaheim, California	30,000	Leased	Prototype Manufacturing, Prototype Design, Support
Arden, North Carolina	204,000	Leased	Manufacturing
Auburn Hills, Michigan	207,000	Owned	Manufacturing
Belo Horizonte, Brazil	150,000	Leased	Manufacturing
Boise, Idaho	2,000	Leased	Support
Burlington, Massachusetts	13,000	Leased	Manufacturing
Cayey, Puerto Rico	121,000	Leased	Manufacturing, Storage, Support
Chicago, Illinois	13,000	Leased	Design
Chihuahua, Mexico	1,081,000	Owned	Manufacturing
Chihuahua, Mexico	307,000	Leased	Storage
Chula Vista, California	80,000	Leased	Manufacturing, Support, Storage
Clinton, Massachusetts	825,000	Owned	Manufacturing, Design, Support, Prototype Design, Prototype Manufacturing
Colorado Springs, Colorado	19,000	Leased	Design
Coppell, Texas(2)	25,000	Leased	Design
Devens, Massachusetts	212,000	Leased	Manufacturing
Dothan, Alabama	133,000	Leased	Manufacturing, Storage
Dublin, California	5,000	Leased	Design, Support
El Paso, Texas	3,000	Leased	Storage
Fletcher, North Carolina	3,000	Leased	Storage
Guadalajara, Mexico	350,000	Owned	Manufacturing
Guadalajara, Mexico	983,000	Leased	Manufacturing, Storage
Gurnee, Illinois	80,000	Owned	Manufacturing
Hanover Park, Illinois	147,000	Leased	Manufacturing
Itasca, Illinois	203,000	Leased	Storage
Lake Orion, Michigan	45,000	Leased	Storage
Manaus, Brazil(2)	262,000	Leased	Manufacturing
Mebane, North Carolina	241,000	Leased	Manufacturing, Storage
Memphis, Tennessee	636,000	Leased	Manufacturing
Mount Pleasant, Iowa	58,000	Owned	Manufacturing
Mount Pleasant, Iowa	102,000	Leased	Storage
Ottawa, Canada	3,000	Leased	Design
San Jose, California	314,000	Leased	Manufacturing, Design, Storage, Support
St. Petersburg, Florida	297,000	Owned	Manufacturing, Support
St. Petersburg, Florida	136,000	Leased	Manufacturing, Design, Prototype Design
Tijuana, Mexico	260,000	Leased	Manufacturing
Total Americas	7,550,000		

Location	Approximate Square Footage	Type of Interest (Leased/Owned)	Description of Use
Beijing, China	4,000	Leased	Design
Changhua, Taiwan(2)	370,000	Leased	Manufacturing, Support, Storage
Chengdu, China(3)	5,346,000	Leased	Manufacturing, Support, Storage
Chennai, India(1)	284,000	Owned	
Gotemba, Japan	38,000	Leased	Manufacturing
Hachioji, Japan	24,000	Leased	Manufacturing
Ho Chi Minh City, Vietnam	291,000	Owned	Manufacturing
Hong Kong, China	12,000	Leased	Design, Support
Hsinchu, Taiwan	23,000	Leased	Design, Support
Huangpu, China	2,613,000	Owned	Manufacturing
Huangpu, China	1,947,000	Leased	Manufacturing, Support
Mumbai, India	3,000	Leased	Support
Nanjing, China	73,000	Leased	Manufacturing
Penang, Malaysia	884,000	Owned	Manufacturing
Penang, Malaysia	348,000	Leased	Manufacturing, Support, Storage
Pune, India	2,000	Leased	Support
Ranjangaon, India	262,000	Owned	Manufacturing
Seoul, South Korea	1,000	Leased	Support
Shanghai, China	503,000	Owned	Manufacturing
Shanghai, China	68,000	Leased	Design
Shenzhen, China	1,406,000	Leased	Manufacturing, Support
Suzhou, China	566,000	Owned	Manufacturing
Suzhou, China	1,009,000	Leased	Manufacturing, Storage
Taichung City, Taiwan	601,000	Owned	Manufacturing, Design, Support, Storage
Taichung City, Taiwan(2)	196,000	Leased	Manufacturing, Support, Storage
Taipei, Taiwan	13,000	Leased	Design
Tampines, Singapore	143,000	Leased	Manufacturing, Design, Support, Storage
Tel Aviv, Israel	3,000	Leased	Support
Tianjin, China(1)	168,000	Owned	
Tianjin, China	2,248,000	Leased	Manufacturing, Design, Support
Wuhan, China(2)	188,000	Owned	Manufacturing, Design
Wuxi, China	648,000	Owned	Manufacturing, Support, Prototype Manufacturing, Storage
Wuxi, China	4,620,000	Leased	Manufacturing, Storage, Support, Design
Yantai, China	209,000	Leased	Manufacturing
Zhejiang, China	138,000	Owned	Manufacturing, Design
Total Asia	25,252,000		
Ayr, Scotland	13,000	Leased	Manufacturing
Bray, Ireland	153,000	Owned	Manufacturing, Design
Brest, France(2)	393,000	Owned	Manufacturing
Cassina de Pecchi, Italy(1)	161,000	Leased	
Chartres, France	110,000	Leased	Manufacturing
Hasselt, Belgium	52,000	Leased	Design, Prototype Design, Prototype Manufacturing
Jena, Germany	27,000	Leased	Design, Prototype Design, Prototype Manufacturing
Kankaanpaa, Finland	12,000	Leased	Design
Knittlingen, Germany	82,000	Owned	Manufacturing, Support, Prototype Manufacturing, Storage
Knittlingen, Germany	113,000	Leased	Manufacturing, Support, Prototype Manufacturing, Storage

Location	Approximate Square Footage	Type of Interest (Leased/Owned)	Description of Use
Kwidzyn, Poland(2)	588,000	Owned	Manufacturing, Storage
Livingston, Scotland	130,000	Owned	Manufacturing
Marcianise, Italy	1,194,000	Owned	Manufacturing, Storage
Marcianise, Italy(2)	170,000	Leased	Manufacturing, Storage
Moscow, Russia	292,000	Owned	Manufacturing
Nagyigmand, Hungary	50,000	Owned	Manufacturing
Nagyigmand, Hungary	32,000	Leased	Storage
Szombathely, Hungary	21,000	Leased	Manufacturing, Storage
Tampere, Finland	3,000	Leased	Design
Tata, Hungary(1)	33,000	Owned	
Tiszaujvaros, Hungary	394,000	Owned	Manufacturing
Tiszaujvaros, Hungary	129,000	Leased	Storage
Tortosa, Spain	160,000	Owned	Manufacturing, Storage, Support
Tortosa, Spain	93,000	Leased	Storage
Tver, Russia(2)	64,000	Leased	Manufacturing
Uzhgorod, Ukraine	225,000	Owned	Manufacturing
Venray, The Netherlands	420,000	Leased	Manufacturing, Storage
Vienna, Austria	89,000	Leased	Manufacturing, Design, Prototype Design
Waterford, Ireland(2)	201,000	Owned	Manufacturing, Storage
Total Europe	5,404,000		
Total Facilities at August 31, 2015	38,206,000		

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

(2) A portion of this facility is no longer used in our business operations.

(3) Approximately 1,962,000 square feet of this facility is under construction and is not currently used in our business operations and approximately 1,692,000 square feet has been completed and is ready for use.

Certifications

Our manufacturing facilities are ISO certified to ISO 9001:2008 standards and most are also certified to ISO-14001:2004 environmental standards. Following are additional certifications that are held by certain of our manufacturing facilities as listed:

- *Aerospace Standard AS/EN 9100* — Shanghai, China; St. Petersburg, Florida; Penang, Malaysia; Livingston, Scotland; and Singapore City, Singapore.

- *Automotive Standard TS16949* — Vienna, Austria; Belo Horizonte, Brazil; Huangpu, Shanghai, Shenzhen and Suzhou, China; Tiszaujvaros, Hungary; and Chihuahua, Mexico.

- *Controlled Substance Registration* — Clinton, Massachusetts.

- *Customs-Trade Partnership Against Terrorism (C-TPAT)* — Chihuahua, Guadalajara and Tijuana, Mexico.

- *FDA IMS Packaging Certification* — Tortosa, Spain.

- *FDA Medical Registered* — Vienna, Austria; Shanghai and Shenzhen, China; Knittlingen, Germany; Gurnee, Illinois; Clinton, Massachusetts; Guadalajara and Tijuana, Mexico; Auburn Hills, Michigan; Mebane, North Carolina; Cayey, Puerto Rico; and Singapore City, Singapore.

- *FSSC 22000 Food Safety System Certification* — Tortosa, Spain.

- *IECQ Certificate of Conformity — Hazardous Substance Process Management QC 080000* — Shenzhen, China.
- *ISO 27001* Information Security Standard — Suzhou, Tianjin and Wuxi, China.
- *Medical Standard ISO-13485* — Vienna, Austria; Hasselt, Belgium; San Diego and San Jose, California; Hong Kong, Shanghai, Shenzhen and Suzhou, China; St. Petersburg, Florida; Chartres, France; Knittlingen, Germany; Tiszaujvaros, Hungary; Gurnee, Illinois; Bray and Waterford, Ireland; Penang, Malaysia; Clinton, Massachusetts; Guadalajara and Tijuana, Mexico; Auburn Hills, Michigan; Asheville and Mebane, North Carolina; Cayey, Puerto Rico; Singapore City, Singapore; Taichung City, Taiwan; and Dallas, Texas.
- *Occupational Health & Safety Management System Standard OHSAS 18001* — Huangpu, Shanghai, Shenzhen, and Wuxi, China; Manaus, Brazil; St. Petersburg, Florida; Tiszaujvaros, Hungary; Ranjangaon, India; Penang, Malaysia; Kwidzyn, Poland; Tver, Russia; Singapore City, Singapore; and Taichung City, Taiwan.
- *Telecommunications Standard TL 9000* — San Jose, California; Shanghai, Wuhan and Wuxi, China; Tiszaujvaros, Hungary; Penang, Malaysia; and Ho Chi Minh City, Vietnam.
- *ESD/ANSI 20:20 Standard* — San Jose, California; Huangpu, Shanghai and Wuxi, China; St. Petersburg, Florida; Ranjangaon, India; Penang, Malaysia; Guadalajara and Reynosa, Mexico; Auburn Hills, Michigan; and Tver, Russia.

Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Our common stock trades on the New York Stock Exchange under the symbol "JBL." The following table sets forth the high and low sales prices per share for our common stock as reported on the New York Stock Exchange for the fiscal periods indicated:

	High	Low
Fiscal Year Ended August 31, 2015		
First Quarter (September 1, 2014 — November 30, 2014)	$21.87	$18.03
Second Quarter (December 1, 2014 — February 28, 2015)	$22.62	$19.45
Third Quarter (March 1, 2015 — May 31, 2015)	$24.95	$21.12
Fourth Quarter (June 1, 2015 — August 31, 2015)	$24.76	$16.90
Fiscal Year Ended August 31, 2014		
First Quarter (September 1, 2013 — November 30, 2013)	$24.32	$19.16
Second Quarter (December 1, 2013 — February 28, 2014)	$20.85	$15.30
Third Quarter (March 1, 2014 — May 31, 2014)	$19.05	$17.06
Fourth Quarter (June 1, 2014 — August 31, 2014)	$21.74	$18.54

On October 6, 2015, the closing sales price for our common stock as reported on the New York Stock Exchange was $22.18. As of October 6, 2015, there were 1,652 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 Part III of this report.

Dividends

The following table sets forth certain information relating to our cash dividends declared to common stockholders during fiscal years 2015 and 2014:

Dividend Information

	Dividend Declaration Date	Dividend per Share	Total of Cash Dividends Declared	Date of Record for Dividend Payment	Dividend Cash Payment Date
		(in thousands, except for per share data)			
Fiscal year 2015:	October 16, 2014	$0.08	$15,973	November 14, 2014	December 1, 2014
	January 21, 2015	$0.08	$16,020	February 13, 2015	March 2, 2015
	April 15, 2015	$0.08	$15,988	May 15, 2015	June 1, 2015
	July 16, 2015	$0.08	$15,980	August 14, 2015	September 1, 2015
Fiscal year 2014:	October 17, 2013	$0.08	$17,221	November 15, 2013	December 2, 2013
	January 22, 2014	$0.08	$16,976	February 14, 2014	March 3, 2014
	April 17, 2014	$0.08	$16,686	May 15, 2014	June 2, 2014
	July 23, 2014	$0.08	$16,289	August 15, 2014	September 2, 2014

We currently expect to continue to declare and pay quarterly dividends of an amount similar to our past declarations. However, the declaration and payment of future dividends are discretionary and will be subject to determination by our Board of Directors each quarter following its review of our financial performance.

Issuer Purchases of Equity Securities

The following table provides information relating to our repurchase of common stock during the three months ended August 31, 2015:

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program(2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (in thousands)
June 1, 2015 — June 30, 2015	49	$24.53	—	$ —
July 1, 2015 — July 31, 2015	3,396	$19.87	—	$100,000,000
August 1, 2015 — August 31, 2015	2,370,041	$19.19	2,370,000	$ 54,511,404
Total	2,373,486	$19.19	2,370,000	$ 54,511,404

(1) The purchases include amounts that are attributable to shares surrendered to us by employees to satisfy, in connection with the vesting of restricted stock awards and the exercise of stock options and stock appreciation rights, their tax withholding obligations.

(2) In July 2015, our Board of Directors authorized the repurchase of up to $100.0 million of our common shares during the twelve month period following their authorization. During the fourth quarter of fiscal year 2015, 2.4 million shares were repurchased in the open market, utilizing approximately $45.5 million of the $100.0 million authorized by our Board of Directors. In addition, following the end of fiscal year 2015, we repurchased 2.8 million shares for approximately $54.5 million, which utilized the remaining amount outstanding of the $100.0 million authorized by our Board of Directors.

Item 6. Selected Financial Data

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

	Fiscal Year Ended August 31,				
	2015	2014	2013	2012	2011
	(in thousands, except for per share data)				
Consolidated Statement of Operations Data:					
Net revenue	$17,899,196	$15,762,146	$17,249,493	$16,140,705	$15,620,258
Cost of revenue	16,395,978	14,736,543	16,037,303	14,979,754	14,506,578
Gross profit	1,503,218	1,025,603	1,212,190	1,160,951	1,113,680
Operating expenses:					
Selling, general and administrative	862,647	675,730	614,295	572,645	539,592
Research and development	27,645	28,611	28,412	25,837	25,002
Amortization of intangibles	24,449	23,857	10,954	12,899	21,764
Restructuring and related charges	33,066	85,369	80,513	—	676
Loss on disposal of subsidiaries	—	7,962	—	—	23,944
Impairment of notes receivable and related charges	—	—	25,597	—	—
Settlement of receivables and related charges	—	—	—	—	13,607
Operating income	555,411	204,074	452,419	549,570	489,095
Other expense	5,627	7,637	6,095	8,935	2,749
Interest income	(9,953)	(3,741)	(1,813)	(2,002)	(3,115)
Interest expense	128,091	128,055	121,023	106,088	97,671
Income from continuing operations before tax	431,646	72,123	327,114	436,549	391,790
Income tax expense	137,461	73,711	7,631	102,866	95,097
Income (loss) from continuing operations, net of tax	294,185	(1,588)	319,483	333,683	296,693
Discontinued operations:					
(Loss) income from discontinued operations, net of tax	(7,698)	20,554	50,608	62,406	86,265
(Loss) gain on sale of discontinued operations, net of tax	(875)	223,299	—	—	—
Discontinued operations, net of tax	(8,573)	243,853	50,608	62,406	86,265
Net income	285,612	242,265	370,091	396,089	382,958
Net income (loss) attributable to noncontrolling interests, net of tax	1,593	952	(1,391)	1,402	1,895
Net income attributable to Jabil Circuit, Inc.	$ 284,019	$ 241,313	$ 371,482	$ 394,687	$ 381,063
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:					
Basic:					
Income (loss) from continuing operations, net of tax	$ 1.51	$ (0.01)	$ 1.58	$ 1.61	$ 1.37
Discontinued operations, net of tax	$ (0.04)	$ 1.20	$ 0.25	$ 0.30	$ 0.40
Net income	$ 1.47	$ 1.19	$ 1.83	$ 1.91	$ 1.78
Diluted:					
Income (loss) from continuing operations, net of tax	$ 1.49	$ (0.01)	$ 1.54	$ 1.57	$ 1.34
Discontinued operations, net of tax	$ (0.04)	$ 1.20	$ 0.24	$ 0.30	$ 0.39
Net income	$ 1.45	$ 1.19	$ 1.79	$ 1.87	$ 1.73
Weighted average shares outstanding:					
Basic	193,689	202,497	203,096	206,160	214,502
Diluted	196,005	202,497	207,815	211,181	220,719

	August 31,				
	2015	2014	2013	2012	2011
			(in thousands)		
Consolidated Balance Sheets Data:					
Working capital	$ 191,168	$1,037,920	$ 955,811	$1,780,332	$1,225,899
Total assets	$9,603,207	$8,479,746	$9,153,781	$7,803,141	$7,057,940
Current installments of notes payable, long-term debt and capital lease obligations	$ 323,833	$ 12,960	$ 215,448	$ 17,944	$ 74,160
Notes payable, long-term debt and capital lease obligations, less current installments	$1,346,558	$1,669,585	$1,690,418	$1,658,247	$1,112,593
Total Jabil Circuit, Inc. stockholders' equity	$2,314,856	$2,241,828	$2,335,287	$2,105,057	$1,867,120
Cash dividends declared, per share	$ 0.32	$ 0.32	$ 0.32	$ 0.32	$ 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 comprehensive electronics design, production and product management services to companies in the automotive, consumer lifestyles and wearable technologies, defense and aerospace, digital home, emerging growth, healthcare, industrial and energy, mobility, networking and telecommunications, packaging, point of sale, printing and storage industries.

The industry in which we operate is composed of companies that provide a range of design and manufacturing services to companies that utilize electronics components. The industry experienced rapid change and growth through the 1990s as an increasing number of companies chose to outsource an increasing portion, and, in some cases, all of their manufacturing requirements. In mid-2001, the industry's revenue declined as a result of significant cut-backs in customer production requirements, which was consistent with the overall downturn in the technology sector at the time. In response to this downturn in the technology sector, we implemented restructuring programs to reduce our cost structure and further align our manufacturing capacity with the geographic production demands of our customers. Industry revenues generally began to stabilize in 2003 and companies began to turn more to outsourcing versus internal manufacturing. In addition, the number of industries serviced, as well as the market penetration in certain industries, by electronic manufacturing service providers has increased over the past several years. In mid-2008, the industry's revenue declined when a deteriorating macro-economic environment resulted in illiquidity in global credit markets and a significant economic downturn in the North American, European and Asian markets. In response to this downturn, and the termination of our business relationship with BlackBerry Limited, we implemented additional restructuring programs, including the restructuring plans that were approved by our Board of Directors in fiscal year 2014 (the "2014 Restructuring Plan") and in fiscal year 2013 (the "2013 Restructuring Plan"), to reduce our cost structure and further align our manufacturing capacity with the geographic production demands of our customers.

We continue to try to monitor the current economic environment and its potential impact on both the customers that we serve as well as our end-markets and closely manage our costs and capital resources so that we can try to respond appropriately as circumstances continue to change.

At August 31, 2015, our reportable operating segments consisted of two segments: Electronics Manufacturing Services ("EMS") and Diversified Manufacturing Services ("DMS"). Our EMS segment is focused around leveraging IT, supply chain design and engineering, technologies largely centered on core electronics, sharing of our large scale manufacturing infrastructure and the ability to serve a broad range of end markets. Our EMS segment includes customers primarily in the automotive, digital home, industrial and energy, networking and telecommunications, point of sale, printing and storage industries. Our DMS segment is focused on providing engineering solutions and a focus on material sciences and technologies. Our DMS segment includes customers primarily in the consumer lifestyles and wearable technologies, defense and aerospace, emerging growth, healthcare, mobility and packaging industries.

We derive revenue principally from manufacturing services related to electronic equipment built to customer specifications. We also derive revenue to a lesser extent from design services and excess inventory sales. Revenue from manufacturing services and excess inventory sales is generally recognized, net of estimated product return costs, when goods are shipped; title and risk of ownership have passed; the price to the buyer is fixed or determinable; and collectability is reasonably assured. Design service related revenue is generally recognized upon completion and acceptance by the respective customer. We generally assume no significant obligations after product shipment.

Our cost of revenue includes the cost of electronic components and other materials that comprise the products we manufacture; the cost of labor and manufacturing overhead; and adjustments for excess and obsolete inventory. As a provider of turnkey manufacturing services, we are responsible for procuring components and other materials. This requires us to commit significant working capital to our operations and to manage the purchasing, receiving, inspecting and stocking of materials. Although we bear the risk of fluctuations in the cost of materials and excess scrap, we periodically negotiate cost of materials adjustments with our customers. Net revenue from each product that we manufacture consists of an element based on the costs of materials in that product and an element based on the labor and manufacturing overhead costs allocated to that product. We refer to the portion of the sales price of a product 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 labor and manufacturing overhead costs as “manufacturing-based revenue.” Our gross margin for any product depends on the mix between the cost of materials in the product and the cost of labor and manufacturing overhead allocated to the product. We typically realize higher gross margins on manufacturing-based revenue than we do on materials-based revenue. As we gain experience in manufacturing a product, we usually achieve increased efficiencies, which may result in lower labor and manufacturing overhead costs for that product.

Our operating results are impacted by the level of capacity utilization of manufacturing facilities; indirect labor costs; and selling, general and administrative expenses. Operating income margins have generally improved during periods of high production volume and high capacity utilization. During periods of low production volume, we generally have idle capacity and reduced operating income margins.

We have consistently utilized advanced circuit design, production design and manufacturing technologies to meet the needs of our customers. To support this effort, our engineering staff focuses on developing and refining design and manufacturing technologies to meet specific needs of specific customers. Most of the expenses associated with these customer-specific efforts are reflected in our cost of revenue. In addition, our engineers engage in research and development (“R&D”) of new technologies that apply generally to our operations. The expenses of these R&D activities are reflected in the research and development line item within our Consolidated Statement of Operations.

An important element of our strategy is the expansion of our global production facilities. The majority of our revenue and materials costs worldwide are denominated in U.S. dollars, while our labor and utility costs in operations outside the U.S. are denominated in local currencies. We largely economically hedge certain of these local currency costs, based on our evaluation of the potential exposure as compared to the cost of the hedge, through the purchase of foreign currency exchange contracts. Changes in the fair market value of such hedging instruments are reflected within the Consolidated Statement of Operations and the Consolidated Statement of Comprehensive Income. See “Risk Factors — We are 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 percentage of our net revenue and upon their growth, viability and financial stability. A significant reduction in sales to any of our customers, a customer exerting significant pricing and margin pressures on us or the termination or substantial winding down of our business relationship with one of our customers has previously had, and could in the future have, a material adverse effect on our results of operations. In the past, some of our customers have terminated their manufacturing arrangements with us or have significantly reduced or delayed the volume of design, production or product management services ordered from us, including moving a portion of their manufacturing from us in order to more fully utilize their excess internal manufacturing capacity. There can be no assurance that present or future customers will not terminate their manufacturing arrangements with us or significantly reduce or delay the volume of design, production or product management services ordered from us, or move a portion of their manufacturing from us in order to more fully utilize their excess internal manufacturing capacity. We could in the future terminate, or substantially wind down, significant customer relationships. Any such termination or substantial winding down of a customer or manufacturing relationship or change, reduction or delay in orders could have a material adverse effect on our results of operations or financial condition. See "Risk Factors — Because we depend on a limited number of customers, a reduction in sales to any one of those customers could cause a significant decline in our revenue," "Risk Factors — Most of our customers do not commit to long-term production schedules, which makes it difficult for us to schedule production and capital expenditures, and to maximize the efficiency of our manufacturing capacity," "Risk Factors — Our customers may cancel their orders, change production quantities, delay production or change their sourcing strategy" and Note 12 — "Concentration of Risk and Segment Data" to the Consolidated Financial Statements.

Summary of Results

Net revenues for fiscal year 2015 increased approximately 13.6% to $17.9 billion compared to $15.8 billion for fiscal year 2014 primarily due to increased revenues from customers within our mobility business due to strengthened end user product demand as well as increased revenues from customers within our telecommunications and automotive businesses.

The following table sets forth, for the fiscal years ended August 31, 2015, 2014 and 2013, certain key operating results and other financial information (in thousands, except per share data):

	Fiscal Year Ended August 31,		
	2015	2014	2013
Net revenue	$17,899,196	$15,762,146	$17,249,493
Gross profit	$ 1,503,218	$ 1,025,603	$ 1,212,190
Operating income	$ 555,411	$ 204,074	$ 452,419
Net income attributable to Jabil Circuit, Inc.	$ 284,019	$ 241,313	$ 371,482
Net earnings per share — basic	$ 1.47	$ 1.19	$ 1.83
Net earnings per share — diluted	$ 1.45	$ 1.19	$ 1.79

Key Performance Indicators

Management regularly reviews financial and non-financial performance indicators to assess the Company's operating results. The following table sets forth, for the quarterly periods indicated, certain of management's key financial performance indicators:

	Three Months Ended			
	August 31, 2015	May 31, 2015	February 28, 2015	November 30, 2014
Sales cycle	4 days	1 day	4 days	4 days
Inventory turns (annualized)	7 turns	7 turns	7 turns	8 turns
Days in accounts receivable	28 days	25 days	27 days	31 days
Days in inventory	52 days	51 days	48 days	45 days
Days in accounts payable	76 days	75 days	71 days	72 days

	Three Months Ended			
	August 31, 2014	May 31, 2014	February 28, 2014	November 30, 2013
Sales cycle	2 days	3 days	7 days	3 days
Inventory turns (annualized)	8 turns	8 turns	7 turns	8 turns
Days in accounts receivable	27 days	24 days	24 days	27 days
Days in inventory	48 days	47 days	49 days	45 days
Days in accounts payable	73 days	68 days	66 days	69 days

The sales cycle is calculated as the sum of days in accounts receivable and days in inventory, less the days in accounts payable; accordingly, the variance in the sales cycle quarter over quarter is a direct result of changes in these indicators. During the three months ended August 31, 2015, May 31, 2015, February 28, 2015 and November 30, 2014, the days in accounts receivable increased 3 days to 28 days, decreased 2 days to 25 days, decreased 4 days to 27 days and increased 4 days to 31 days, respectively, from the prior sequential quarter primarily due to the timing of sales and collections activity.

During the three months ended August 31, 2015, days in inventory increased 1 day to 52 days as compared to the prior sequential quarter largely due to increased demand and to support expected revenue levels in the first quarter of fiscal year 2016. During the three months ended May 31, 2015, days in inventory increased 3 days to 51 days as compared to the prior sequential quarter largely to support expected revenue levels in the fourth quarter of fiscal year 2015. During the three months ended February 28, 2015, days in inventory increased 3 days to 48 days as compared to the prior sequential quarter largely to support expected EMS sales levels in the third quarter of fiscal year 2015. During the three months ended November 30, 2014, days in inventory decreased 3 days to 45 days as compared to the prior sequential quarter primarily due to increased sales activity as well as a focus on inventory management. During the three months ended August 31, 2015, May 31, 2015 and February 28, 2015, inventory turns, on an annualized basis, remained relatively consistent at 7 turns as compared to the prior sequential quarter, respectively. During the three months ended November 30, 2014, inventory turns, on an annualized basis, remained consistent at 8 turns as compared to the prior sequential quarter.

During the three months ended August 31, 2015, May 31, 2015, February 28, 2015 and November 30, 2014, days in accounts payable increased 1 day to 76 days, increased 4 days to 75 days, decreased 1 day to 71 days and decreased 1 day to 72 days, respectively, from the prior sequential quarter primarily due to the timing of purchases and cash payments for purchases during the respective quarters.

The sales cycle was 4 days during the three months ended August 31, 2015, 1 day during the three months ended May 31, 2015, 4 days during the three months ended February 28, 2015 and 4 days during the three months ended November 30, 2014. The changes in the sales cycle are due to the changes 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. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and judgments that affect our reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an on-going basis, we evaluate our estimates and assumptions based upon historical experience and various other factors and circumstances. Management believes that our estimates and assumptions are reasonable under the circumstances; however, actual results may vary from these estimates and assumptions under different future circumstances. We have identified the following critical accounting policies that affect the more significant judgments and estimates used in the preparation of our Consolidated Financial Statements. For further discussion of our significant accounting policies, refer to Note 1 — "Description of Business and Summary of Significant Accounting Policies" to the Consolidated Financial Statements.

Revenue Recognition

We derive revenue principally from manufacturing services related to electronic equipment built to customer specifications. We also derive revenue to a lesser extent from design services and excess inventory sales. Revenue from manufacturing services and excess inventory sales is generally recognized, net of estimated product return costs, when goods are shipped; title and risk of ownership have passed; the price to the buyer is fixed or determinable; and collectability is reasonably assured. Design service related revenue is generally recognized upon completion and acceptance by the respective customer. We generally assume no significant obligations after product shipment.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts related to receivables not expected to be collected from our customers. This allowance is based on management's assessment of specific customer balances, considering the age of receivables and financial stability of the customer. If there is an adverse change in the financial condition and circumstances of our customers, or if actual defaults are higher than provided for, an addition to the allowance may be necessary.

Inventory Valuation

We purchase inventory based on forecasted demand and record inventory at the lower of cost or market. Management regularly assesses inventory valuation based on current and forecasted usage, customer inventory-related contractual obligations and other lower of cost or market considerations. If actual market conditions or our customers' product demands are less favorable than those projected, additional valuation adjustments may be necessary.

Long-Lived Assets

We review property, plant and equipment and amortizable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of property, plant and equipment is measured by comparing its carrying value to the undiscounted projected cash flows that the asset(s) or asset group(s) are expected to generate. If the carrying amount of an asset or an asset group is not recoverable, we recognize an impairment loss based on the excess of the carrying amount of the long-lived asset or asset group over its respective fair value, which is generally determined as either the present value of estimated future cash flows or the appraised value. The impairment analysis is based on significant assumptions of future results made by management, including revenue and cash flow projections. Circumstances that may lead to impairment of property, plant and equipment include unforeseen decreases in future performance or industry demand and the restructuring of our operations resulting from a change in our business strategy or adverse economic conditions. For further discussion of our current restructuring program, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations — Restructuring and Related Charges."

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

We perform a goodwill impairment analysis using the two-step method on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. We determine the fair value of our reporting units based on an average weighting of both projected discounted future results and the use of comparative market multiples. If the carrying amount of the reporting unit exceeds its fair value, goodwill is considered impaired and a second test is performed to measure the amount of loss, if any.

We perform an indefinite-lived intangible asset impairment analysis on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverability of indefinite-lived intangible assets is measured by comparing the carrying amount to the fair value. We determine the fair value of our indefinite-lived intangible assets principally based on a variation of the income approach, known as the relief from royalty method. If the carrying amount of the indefinite-lived intangible asset exceeds its fair value, the indefinite-lived intangible asset is considered impaired.

We completed our annual impairment test for goodwill and indefinite-lived intangible assets during the fourth quarter of fiscal year 2015 and determined that the fair values of our reporting units and the indefinite-lived intangible assets are substantially in excess of the carrying values and that no impairment existed as of the date of the impairment test.

Retirement Benefits

We have pension and postretirement benefit costs and liabilities in certain foreign locations that are developed from actuarial valuations. Actuarial valuations require management to make certain judgments and estimates of discount rates, compensation rate increases and return on plan assets. We evaluate these assumptions on a regular basis taking into consideration current market conditions and historical market data. The discount rate is used to state expected future cash flows at a present value on the measurement date. This rate represents the market rate for high-quality fixed income investments. A lower discount rate increases the present value of benefit obligations and increases pension expense. When considering the expected long-term rate of return on pension plan assets, we take into account current and expected asset allocations, as well as historical and expected returns on plan assets. Other assumptions include demographic factors such as retirement, mortality and turnover. For further discussion of our pension and postretirement benefits, refer to Note 9 — "Postretirement and Other Employee 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 exposures related to examinations by taxing authorities. We must also make judgments regarding the ability to realize the deferred tax assets. The carrying value of our net deferred tax assets is based on our belief that it is more likely than not that we will generate sufficient future taxable income in certain jurisdictions to realize these deferred tax assets. A valuation allowance has been established for deferred tax assets that we do not believe meet the "more likely than not" criteria. We assess whether an uncertain tax position taken or expected to be taken in a tax return meets the threshold for recognition and measurement in the Consolidated Financial Statements. Our judgments regarding future taxable income as well as tax positions taken or expected to be taken in a tax return may change due to changes in market conditions, changes in tax laws or other factors. If our assumptions and consequently our estimates change in the future, the valuation allowances and/or tax reserves established may be increased or decreased, resulting in a respective increase or decrease in income tax expense.

The Internal Revenue Service ("IRS") completed its field examination of our tax returns for fiscal years 2009 through 2011 and issued a Revenue Agent's Report on May 27, 2015 proposing adjustments primarily related to U.S. taxation of certain intercompany transactions. If the IRS ultimately prevails in its positions, our income tax payment due for the fiscal years 2009 through 2011 would be approximately $34.6 million after utilization of tax loss carry forwards available through fiscal year 2011. Also, the IRS has proposed interest and penalties with respect to fiscal years 2009 through 2011. The IRS may make similar claims in future audits with respect to these types of transactions. At this time, anticipating the amount of any future IRS proposed adjustments, interest, and penalties is not practicable.

We disagree with the proposed adjustments and intend to vigorously contest these matters through the applicable IRS administrative and judicial procedures, as appropriate. As the final resolution of the proposed adjustments remains uncertain, we continue to provide for the uncertain tax positions based on the more likely than not standard. While the resolution of the issues may result in tax liabilities, interest and penalties, which are significantly higher than the amounts provided for these matters, management currently believes that the resolution will not have a material adverse effect on our financial position, results of operations or cash flows. Despite this belief, an unfavorable resolution, particularly if the IRS successfully asserts similar claims for later years, could have a material adverse effect on our results of operations and financial condition. For further discussion related to our income taxes, refer to Note 5 — "Income Taxes" to the Consolidated Financial Statements and "Risk Factors — We are subject to the risk of increased taxes."

Recent Accounting Pronouncements

See Note 17 — "New Accounting Guidance" to the Consolidated Financial Statements for a discussion of recent accounting guidance.

Results of Operations

The following table sets forth, for the fiscal year ended August 31, 2015, 2014 and 2013, certain statements of operations data expressed as a percentage of net revenue:

	Fiscal Year Ended August 31,		
	2015	2014	2013
Net revenue	100.0%	100.0%	100.0%
Cost of revenue	91.6	93.5	93.0
Gross profit	8.4	6.5	7.0
Operating expenses:			
Selling, general and administrative	4.8	4.3	3.6
Research and development	0.2	0.2	0.2
Amortization of intangibles	0.1	0.2	0.1
Restructuring and related charges	0.2	0.5	0.4
Loss on disposal of subsidiaries	—	0.1	—
Impairment of notes receivable and related charges	—	—	0.1
Operating income	3.1	1.2	2.6
Other expense	0.0	0.0	0.1
Interest income	(0.1)	(0.0)	(0.0)
Interest expense	0.7	0.8	0.8
Income from continuing operations before tax	2.5	0.4	1.7
Income tax expense	0.8	0.5	0.0
Income (loss) from continuing operations, net of tax	1.7	(0.1)	1.7
Discontinued operations:			
(Loss) income from discontinued operations, net of tax	(0.0)	0.1	0.3
(Loss) gain on sale of discontinued operations, net of tax	(0.0)	1.4	—
Discontinued operations, net of tax	(0.0)	1.5	0.3
Net income	1.7	1.4	2.0
Net income (loss) attributable to noncontrolling interests, net of tax	0.0	0.0	(0.0)
Net income attributable to Jabil Circuit, Inc.	1.7%	1.4%	2.0%

The Fiscal Year Ended August 31, 2015 Compared to the Fiscal Year Ended August 31, 2014

Net Revenue. Net revenue increased 13.6% to $17.9 billion during the fiscal year ended August 31, 2015, compared to $15.8 billion during the fiscal year ended August 31, 2014. Specifically, the DMS segment revenues increased 39% primarily as a result of increased revenues from customers within our mobility business due to strengthened end user product demand. EMS segment revenues increased 1%, which was primarily attributable to increased revenues from customers within our telecommunications and automotive businesses, which was partially offset by reductions in the sale of mobility handsets as a result of our disengagement from BlackBerry Limited.

Generally, we assess revenue on a global customer basis regardless of whether the growth is associated with organic growth or as a result of an acquisition. Accordingly, we do not differentiate or report separately revenue increases generated by acquisitions as opposed to existing business. In addition, the added cost structures associated with our acquisitions have historically been relatively insignificant when compared to our overall cost structure.

The distribution of revenue across our segments has fluctuated, and will continue to fluctuate, as a result of numerous factors, including but not limited to the following: fluctuations in customer demand as a result of recessionary conditions; efforts to de-emphasize the economic performance of certain portions of our business;

seasonality in our business; business growth from new and existing customers; specific product performance; and any potential termination, or substantial winding down, of significant customer relationships. As of September 1, 2014, we are reporting our business in the following two segments — EMS and DMS. Prior to the first quarter of fiscal year 2015, we were reporting our business in three segments. In conjunction with this reorganization, there have been certain reclassifications made within the reported segments.

On April 1, 2014, we completed the sale of our Aftermarket Services ("AMS") business except for the Malaysian operations, for which the sale was completed on December 31, 2014. The AMS business was included in the DMS segment, and the results of operations of this business are classified as discontinued operations for all periods presented. See Note 2 — "Discontinued Operations" to the Consolidated Financial Statements for further details.

The following table sets forth, for the periods indicated, revenue by segment expressed as a percentage of net revenue:

	Fiscal Year Ended August 31,		
	2015	2014	2013
EMS	60%	67%	70%
DMS	40%	33%	30%
Total	100%	100%	100%

Foreign source revenue represented 88.0% of our net revenue for the fiscal year ended August 31, 2015 and 84.5% of net revenue for the fiscal year ended August 31, 2014. We currently expect our foreign source revenue to increase as compared to current levels over the course of the next 12 months.

Gross Profit. Gross profit increased to $1.5 billion (8.4% of net revenue) during the fiscal year ended August 31, 2015, compared to $1.0 billion (6.5% of net revenue) during the fiscal year ended August 31, 2014. The increase in gross profit on an absolute basis and as a percentage of net revenue is primarily due to increased revenue from certain of our existing customers within the DMS segment, as well as an increased focus on controlling costs and improving productivity.

Selling, General and Administrative. Selling, general and administrative expenses increased to $862.6 million (4.8% of net revenue) during the fiscal year ended August 31, 2015, compared to $675.7 million (4.3% of net revenue) during the fiscal year ended August 31, 2014. The increase on an absolute basis and as a percentage of net revenue during the fiscal year ended August 31, 2015 as compared to the fiscal year ended August 31, 2014 was the result of an increase in salary and salary related expenses and other costs due to increased headcount to support the continued growth of our business, as well as a $45.8 million reversal to stock-based compensation expense during the fiscal year ended August 31, 2014 due to decreased expectations for the vesting of certain restricted stock awards.

Research and Development. Research and development expenses remained relatively consistent at $27.6 million (0.2% of net revenue) during the fiscal year ended August 31, 2015, compared to $28.6 million (0.2% of net revenue) during the fiscal year ended August 31, 2014.

Amortization of Intangibles. Amortization of intangibles remained relatively consistent at $24.4 million of during the fiscal year ended August 31, 2015 as compared to $23.9 million during the fiscal year ended August 31, 2014.

Restructuring and Related Charges.

a. 2014 Restructuring Plan

We recorded $49.9 million of restructuring and related charges during the fiscal year ended August 31, 2014. We have completed our restructuring activities under this plan and do not expect to incur any additional costs under the 2014 Restructuring Plan.

b. 2013 Restructuring Plan

In conjunction with the 2013 Restructuring Plan, we charged $34.6 million of restructuring and related charges to the Consolidated Statements of Operations during the fiscal year ended August 31, 2015 compared to $35.4 million during the fiscal year ended August 31, 2014. The 2013 Restructuring Plan is intended to better align our manufacturing capacity in certain geographies and to reduce our worldwide workforce in order to reduce operating expenses. These restructuring activities are intended to address current market conditions and customer requirements. The restructuring and related charges during the fiscal years ended August 31, 2015 and 2014 include cash costs of $24.3 million and $25.0 million related to employee severance and benefit costs, respectively, $2.8 million and $0.5 million related to lease costs, respectively, and $1.9 million and $1.3 million of other related costs, respectively, as well as non-cash costs of $5.6 million and $8.6 million related to asset write-off costs, respectively.

During the fiscal year ended August 31, 2015, $39.3 million was paid related to the 2013 Restructuring Plan. At August 31, 2015, accrued liabilities of approximately $30.3 million related to the 2013 Restructuring Plan are expected to be paid over the next twelve months.

We currently expect to recognize approximately $179.0 million, excluding the restructuring and related charges previously incurred for the AMS discontinued operations, in pre-tax restructuring and other related costs over the course of fiscal years 2013, 2014, 2015, and 2016 under the 2013 Restructuring Plan. The restructuring and related charges are expected to include $149.4 million of employee severance and benefit costs; $21.6 million of asset write-off costs; $3.5 million of contract termination costs and $4.5 million of other related costs. Since the inception of the 2013 Restructuring Plan, a total of $150.5 million of restructuring and related costs have been recognized as of August 31, 2015. The charges related to the 2013 Restructuring Plan, excluding asset write-off costs, are currently expected to result in cash expenditures of approximately $157.4 million that have been or will be payable over the course of our fiscal years 2013, 2014, 2015, 2016 and 2017. Much of the 2013 Restructuring Plan as discussed reflects our intention only and restructuring decisions, and the timing of such decisions, at certain plants are still subject to the finalization of timetables for the transition of functions and consultation with our employees and their representatives.

Upon its completion, the 2013 Restructuring Plan is expected to yield annualized cost savings of approximately $76.8 million. The expected avoided annual costs consist of a reduction in employee related expenses of $72.5 million, a reduction in depreciation expense associated with asset disposals of $3.1 million, and a reduction in rent expense associated with leased buildings that have been vacated of approximately $1.2 million. The majority of these annual cost savings are expected to be reflected as a reduction in cost of revenue as well as a reduction of selling, general and administrative expense. These annual costs savings are expected to be partially offset by decreased revenues and incremental costs expected to be incurred by those plants to which certain production will be shifted. After considering these partial cost savings offsets, we expect to realize annual cost savings of approximately $65.0 million.

Other Expense. Other expense decreased to $5.6 million for the fiscal year ended August 31, 2015 compared to $7.6 million for the fiscal year ended August 31, 2014. The decrease was primarily due to a step acquisition gain of $6.2 million on a previously held equity interest investment offset by a loss associated with a cost method investment.

Interest Income. We recorded interest income of $10.0 million during the fiscal year ended August 31, 2015, compared to $3.7 million during the fiscal year ended August 31, 2014. The increase was primarily due to dividends (which are treated as interest income) on the Senior Non-Convertible Cumulative Preferred Stock received in connection with the sale of the AMS business on April 1, 2014.

Interest Expense. Interest expense remained consistent at $128.1 million for each of fiscal years 2015 and 2014.

Income Tax Expense. Income tax expense reflects an effective tax rate of 31.8% for the fiscal year ended August 31, 2015, compared to an effective tax rate of 102.2% for the fiscal year ended August 31, 2014.

The effective tax rate for the fiscal year ended August 31, 2015 decreased from the effective tax rate for the fiscal year ended August 31, 2014 primarily due to the increase in income from continuing operations in low tax-rate jurisdictions during fiscal year 2015. This effective tax rate decrease was partially offset by the tax benefit from revaluing deferred tax assets related to the enactment of the Mexico 2014 tax reform during fiscal year 2014, the reversal of stock-based compensation expense with minimal related tax expense during fiscal year 2014, and a partial valuation allowance release related to the U.S. deferred tax assets during fiscal year 2014.

Fiscal Year Ended August 31, 2014 Compared to Fiscal Year Ended August 31, 2013

Net Revenue. Our net revenue decreased 8.6% to $15.8 billion for fiscal year 2014, compared to $17.2 billion for fiscal year 2013. Specific decreases include a 12% decrease in the sale of EMS products due principally to reductions in the sale of mobility handsets as a result of our disengagement with BlackBerry Limited and the continued decline in enterprise and infrastructure spending and a 2% decrease in the sale of DMS products as a result of reduced production levels due to weakened end user product demand within our mobility business, which was partially offset by increased revenue from new customers as a result of the Nypro acquisition.

Foreign source revenue represented 84.5% of our net revenue for fiscal year 2014 and 86.8% of net revenue for fiscal year 2013.

For further discussion of our net revenues, refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations — Fiscal Year Ended August 31, 2015 Compared to Fiscal Year Ended August 31, 2014 — Net Revenue.”

Gross Profit. Gross profit decreased to $1.0 billion (6.5% of net revenue) for fiscal year 2014 compared to $1.2 billion (7.0% of net revenue) for fiscal year 2013. The decrease in gross profit is due to our revenues from existing customers decreasing at a higher rate than certain of our fixed costs, which is partially offset by increased revenue from new customers.

Selling, General and Administrative. Selling, general and administrative expenses increased to $675.7 million (4.3% of net revenue) for fiscal year 2014 compared to $614.3 million (3.6% of net revenue) for fiscal year 2013. Selling, general and administrative expense increased as compared to fiscal year 2013 primarily as a result of an increase to incremental selling, general and administrative expense resulting from the acquisition of Nypro during the fourth quarter of fiscal year 2013, which tends to generate a higher amount of selling, general and administrative expenses on a relative basis than our other operations, and an increase due to the increased investment in our strategic development sector. The increase was partially offset by a decrease to selling, general and administrative expense resulting from a $45.8 million reversal to stock-based compensation expense during fiscal year 2014 due to decreased expectations for the vesting of certain restricted stock awards.

Research and Development. R&D expenses remained relatively consistent over the prior period at $28.6 million (0.2% of net revenue) for fiscal year ended 2014 compared to $28.4 million (0.2% of net revenue) for fiscal year 2013.

Amortization of Intangibles. We recorded $23.9 million of amortization of intangibles in fiscal year 2014 as compared to $11.0 million in fiscal year 2013. The increase is primarily attributable to amortization expense associated with the finite-lived intangible assets acquired in connection with the acquisition of Nypro, partially offset by a decrease to certain intangible assets that became fully amortized since August 31, 2013. For additional information regarding purchased intangibles, see “Acquisitions and Expansion” below, Note 1(f) — “Description of Business and Summary of Significant Accounting Policies — Goodwill and Other Intangible Assets”, Note 7 — “Goodwill and Other Intangible Assets” and Note 16 — “Business Acquisitions” to the Consolidated Financial Statements.

Restructuring and Related Charges.

a. 2014 Restructuring Plan

During fiscal year 2014, we recorded $49.9 million of restructuring and related charges related to the 2014 Restructuring Plan.

For further discussion of restructuring and related charges related to the 2014 Restructuring Plan, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations — Fiscal Year Ended August 31, 2015 Compared to Fiscal Year Ended August 31, 2014 — Restructuring and Related Charges."

b. 2013 Restructuring Plan

In conjunction with the 2013 Restructuring Plan, we charged $35.4 million of restructuring and related charges to the Consolidated Statement of Operations during the fiscal year ended August 31, 2014 compared to $80.5 million during the fiscal year ended August 31, 2013. The 2013 Restructuring Plan is intended to better align our manufacturing capacity in certain geographies and to reduce our worldwide workforce in order to reduce operating expenses. These restructuring activities are intended to address current market conditions and customer requirements. The restructuring and related charges for the fiscal years ended August 31, 2014 and 2013 include cash costs of $25.0 million and $74.3 million related to employee severance and benefit costs, respectively, $0.5 million and $0.2 million related to lease costs, respectively, and $1.3 million and $0.0 million related to other related costs, respectively, as well as non-cash costs of $8.6 million and $6.0 million related to asset write-off costs, respectively.

For further discussion of restructuring and related charges related to the 2013 Restructuring Plan, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations — Fiscal Year Ended August 31, 2015 Compared to Fiscal Year Ended August 31, 2014 — Restructuring and Related Charges."

Loss on Disposal of Subsidiaries. During the fiscal year ended August 31, 2014, we recorded a loss of approximately $8.0 million related to the sale of our controlling financial interests in two Nypro subsidiaries.

Impairment of Notes Receivable and Related Charges. During the fiscal year ended August 31, 2013, we recorded a loss of approximately $25.6 million related to notes receivable and related charges. Such a charge was recorded following the determination that it was probable that we would be unable to collect the amounts due from a former customer.

Other Expense. Other expense did not change significantly for fiscal year 2014 at $7.6 million compared to $6.1 million for fiscal year 2013.

Interest Income. We recorded interest income of $3.7 million for fiscal year 2014 compared to $1.8 million for fiscal year 2013. The increase was primarily due to dividends (which are treated as interest income) on the Senior Non-Convertible Cumulative Preferred Stock received in connection with the sale of the AMS business on April 1, 2014.

Interest Expense. We recorded $128.1 million of interest expense in fiscal year 2014 as compared to $121.0 million in fiscal year 2013. The increase was primarily due to incremental interest associated with increased borrowings from our credit facility then in existence.

Income Tax Expense. Income tax expense reflects an effective tax rate of 102.2% for fiscal year 2014, as compared to an effective tax rate of 2.3% for fiscal year 2013.

The effective tax rate for the fiscal year ended August 31, 2014 increased from the effective tax rate for the fiscal year ended August 31, 2013 primarily due to the decrease in income from continuing operations during fiscal year 2014 in low tax-rate jurisdictions that had minimal related tax benefit and the release of existing valuation allowances during fiscal year 2013. This effective tax rate increase was partially offset by a tax benefit from revaluing deferred tax assets related to the enactment of the Mexico 2014 tax reform and the decrease in stock-based compensation expense with minimal related tax benefit.

For the fiscal year ended August 31, 2014, we recorded out-of-period adjustments that increased net income from continuing operations by approximately $17.1 million, which related to fiscal year 2013 income tax benefit adjustments that were recorded in fiscal year 2014. We assessed and concluded that these adjustments are not material to either the consolidated quarterly or annual financial statements for all impacted periods.

Non-U.S. GAAP Core Financial Measures

The following discussion and analysis of our financial condition and results of operations include certain non-U.S. GAAP financial measures as identified in the reconciliation below. The non-U.S. GAAP financial measures disclosed herein do not have standard meaning and may vary from the non-U.S. GAAP financial measures used by other companies or how we may calculate those measures in other instances from time to time. Non-U.S. GAAP financial measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP. Also, our "core" financial measures should not be construed as an inference by us that our future results will be unaffected by those items which are excluded from our "core" financial measures.

Management believes that the non-U.S. GAAP "core" financial measures set forth below are useful to facilitate evaluating the past and future performance of our ongoing manufacturing operations over multiple periods on a comparable basis by excluding the effects of the amortization of intangibles, stock-based compensation expense and related charges, restructuring and related charges, distressed customer charges, acquisition costs and certain purchase accounting adjustments, loss on disposal of subsidiaries, settlement of receivables and related charges, impairment of notes receivable and related charges, goodwill impairment charges, income (loss) from discontinued operations, gain (loss) on sale of discontinued operations and certain other expenses, net of tax and certain deferred tax valuation allowance charges. Among other uses, management uses non-U.S. GAAP "core" financial measures as a factor in determining certain employee performance when determining incentive compensation.

We are reporting "core" operating income and "core" earnings to provide investors with an additional method for assessing operating income and earnings, by presenting what we believe are our "core" manufacturing operations. A significant portion (based on the respective values) of the items that are excluded for purposes of calculating "core" operating income and "core" earnings also impacted certain balance sheet assets, resulting in a portion of an asset being written off without a corresponding recovery of cash we may have previously spent with respect to the asset. In the case of restructuring and related charges, we may be making associated cash payments in the future. In addition, although, for purposes of calculating "core" operating income and "core" earnings, we exclude stock-based compensation expense (which we anticipate continuing to incur in the future) because it is a non-cash expense, the associated stock issued may result in an increase in our outstanding shares of stock, which may result in the dilution of our stockholders' ownership interest. We encourage you to evaluate these items and the limitations for purposes of analysis in excluding them.

Included in the table below is a reconciliation of the non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures as provided in our Consolidated Financial Statements (in thousands):

	Fiscal Year Ended August 31,		
	2015	2014	2013
Operating income (U.S. GAAP)	$555,411	$ 204,074	$452,419
Amortization of intangibles	24,449	23,857	10,954
Stock-based compensation expense and related charges	62,563	8,994	62,574
Restructuring and related charges	33,066	85,369	80,513
Distressed customer charges	—	15,113	—
Acquisition costs and certain purchase accounting adjustments	(5,480)(a)	—	10,037
Loss on disposal of subsidiaries	—	7,962	—
Impairment of notes receivable and related charges	—	—	25,597
Core operating income (Non-U.S. GAAP)	$670,009	$ 345,369	$642,094
Net income attributable to Jabil Circuit, Inc. (U.S. GAAP)	$284,019	$ 241,313	$371,482
Amortization of intangibles, net of tax	23,925	20,728	(13,286)
Stock-based compensation expense and related charges, net of tax	62,914	7,903	62,737
Restructuring and related charges, net of tax	32,219	72,892	78,138
Distressed customer charges, net of tax	—	10,243	—
Acquisition costs and certain purchase accounting adjustments, net of tax	(5,480)(a)	(9,064)(b)	(70,358)(b)
Loss on disposal of subsidiaries, net of tax	—	7,962	—
Impairment of notes receivable and related charges, net of tax	—	—	19,742
Loss (income) from discontinued operations, net of tax	7,698	(20,554)	(50,608)
Loss (gain) on sale of discontinued operations, net of tax	875	(223,299)	—
Core earnings (Non-U.S. GAAP)	$406,170	$ 108,124	$397,847
Earnings per share (U.S. GAAP):			
Basic	$ 1.47	$ 1.19	$ 1.83
Diluted	$ 1.45	$ 1.19	$ 1.79
Core earnings per share (Non-U.S. GAAP):			
Basic	$ 2.10	$ 0.53	$ 1.96
Diluted	$ 2.07	$ 0.53	$ 1.91
Weighted average shares outstanding used in the calculations of earnings per share (U.S. GAAP):			
Basic	193,689	202,497	203,096
Diluted	196,005	202,497	207,815
Weighted average shares outstanding used in the calculations of earnings per share (Non-U.S. GAAP):			
Basic	193,689	202,497	203,096
Diluted	196,005	204,269	207,815

(a) This relates to the recognition of a final purchase price adjustment for an acquisition which was settled during fiscal year 2015.

(b) This tax benefit relates to the partial release of the U.S. valuation allowance due to the U.S. deferred tax liabilities from the Nypro acquisition, which represent future sources of taxable income to support the realization of the deferred tax assets.

Core operating income increased 94.0% to $670.0 million during the fiscal year ended August 31, 2015, compared to $345.4 million during the fiscal year ended August 31, 2014. Core earnings increased 275.7% to $406.2 million during the fiscal year ended August 31, 2015, compared to $108.1 million during the fiscal year ended August 31, 2014. These variances were the result of the same factors described above in "Management's Discussion and Analysis of Financial Condition and Results of Operations — The Fiscal Year Ended August 31, 2015 Compared to the Fiscal Year Ended August 31, 2014."

Quarterly Results (Unaudited)

The following table sets forth certain unaudited quarterly financial information for the 2015 and 2014 fiscal years. In the opinion of management, this information has been presented on the same basis as the audited consolidated financial statements appearing elsewhere, and all necessary adjustments (consisting primarily of normal recurring accruals and adjustments related to discontinued operations) have been included in the amounts stated below to present fairly the unaudited quarterly results when read in conjunction with the audited consolidated financial statements and related notes thereto. The operating results for any quarter are not necessarily indicative of results for any future period.

	Fiscal Year 2015				Fiscal Year 2014			
	Aug. 31, 2015	**May 31, 2015**	**Feb. 28, 2015**	**Nov. 30, 2014**	**Aug. 31, 2014**	**May 31, 2014**	**Feb. 28, 2014**	**Nov. 30, 2013**
	(in thousands, except for per share data)							
Net revenue	$4,680,813	$4,358,641	$4,309,323	$4,550,418	$4,056,245	$3,785,875	$3,577,315	$4,342,711
Cost of revenue	4,304,239	3,982,804	3,941,504	4,167,431	3,793,993	3,569,925	3,364,165	4,008,460
Gross profit	376,574	375,837	367,819	382,987	262,252	215,950	213,150	334,251
Operating expenses:								
Selling, general and administrative	209,465	228,476	210,326	214,380	177,934	190,804	164,522	142,470
Research and development	8,142	6,997	6,501	6,005	7,224	5,729	6,604	9,054
Amortization of intangibles	7,352	5,724	5,783	5,590	5,677	5,679	6,180	6,321
Restructuring and related charges	1,232	(782)	20,358	12,257	19,717	12,446	32,203	21,003
Loss on disposal of subsidiaries	—	—	—	—	5,057	2,905	—	—
Operating income (loss)	150,383	135,422	124,851	144,755	46,643	(1,613)	3,641	155,403
Other expense	389	1,880	1,665	1,694	3,090	1,520	1,850	1,177
Interest income	(3,501)	(2,836)	(1,916)	(1,700)	(1,632)	(1,060)	(341)	(708)
Interest expense	32,207	31,997	32,048	31,839	30,785	32,107	31,858	33,305
Income (loss) from continuing operations before tax	121,288	104,381	93,054	112,922	14,400	(34,180)	(29,726)	121,629
Income tax expense	30,276	32,124	35,272	39,788	32,788	18,708	2,539	19,676
Income (loss) from continuing operations, net of tax	91,012	72,257	57,782	73,134	(18,388)	(52,888)	(32,265)	101,953
Discontinued operations:								
(Loss) income from discontinued operations, net of tax	(2,473)	(1,514)	(4,562)	853	(961)	2,699	2,704(1)	16,112
Gain (loss) on sale of discontinued operations, net of tax	—	1,681	(947)	(1,611)	(6,243)	238,497	(8,955)(1)	—
Discontinued operations, net of tax	(2,473)	167	(5,509)	(758)	(7,204)	241,196	(6,251)	16,112
Net income (loss)	88,539	72,424	52,273	72,376	(25,592)	188,308	(38,516)	118,065
Net income attributable to noncontrolling interests, net of tax	837	221	321	214	605	53	151	143
Net income (loss) attributable to Jabil Circuit, Inc.	$ 87,702	$ 72,203	$ 51,952	$ 72,162	$ (26,197)	$ 188,255	$ (38,667)	$ 117,922
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:								
Basic:								
Income (loss) from continuing operations, net of tax	$ 0.47	$ 0.37	$ 0.30	$ 0.38	$ (0.10)	$ (0.26)	$ (0.16)	$ 0.50
Discontinued operations, net of tax	$ (0.01)	$ 0.00	$ (0.03)	$ 0.00	$ (0.04)	$ 1.19	$ (0.03)	$ 0.08
Net income (loss)	$ 0.45	$ 0.37	$ 0.27	$ 0.37	$ (0.13)	$ 0.93	$ (0.19)	$ 0.58
Diluted:								
Income (loss) from continuing operations, net of tax	$ 0.46	$ 0.37	$ 0.29	$ 0.37	$ (0.10)	$ (0.26)	$ (0.16)	$ 0.49
Discontinued operations, net of tax	$ (0.01)	$ 0.00	$ (0.03)	$ 0.00	$ (0.04)	$ 1.19	$ (0.03)	$ 0.08
Net income	$ 0.45	$ 0.37	$ 0.27	$ 0.37	$ (0.13)	$ 0.93	$ (0.19)	$ 0.57
Weighted average shares outstanding:								
Basic	193,904	193,785	193,561	193,502	198,053	202,008	205,251	204,762
Diluted	196,351	196,304	195,473	195,314	198,053	202,008	205,251	206,813

(1) Reflects the reclassification of direct transaction costs from income (loss) from discontinued operations, net of tax, to gain on sale of discontinued operations, net of tax, during the third quarter of fiscal year 2014.

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

	Fiscal Year 2015				Fiscal Year 2014			
	Aug. 31, 2015	May 31, 2015	Feb. 28, 2015	Nov. 30, 2014	Aug. 31, 2014	May 31, 2014	Feb. 28, 2014	Nov. 30, 2013
Net revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenue	92.0	91.4	91.5	91.6	93.5	94.3	94.0	92.3
Gross profit	8.0	8.6	8.5	8.4	6.5	5.7	6.0	7.7
Operating expenses:								
Selling, general and administrative	4.5	5.2	4.8	4.7	4.4	5.0	4.6	3.3
Research and development	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2
Amortization of intangibles	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.1
Restructuring and related charges	0.0	—	0.5	0.3	0.5	0.3	0.9	0.5
Loss on disposal of subsidiaries	—	—	—	—	0.1	0.1	—	—
Impairment of notes receivable and related charges	—	—	—	—	—	—	—	—
Operating income (loss)	3.1	3.1	2.9	3.2	1.2	(0.1)	0.1	3.6
Other expense	0.0	—	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest expense	0.7	0.8	0.7	0.7	0.8	0.8	0.9	0.8
Income (loss) from continuing operations before tax	2.5	2.4	2.2	2.5	0.4	(0.9)	(0.8)	2.8
Income tax expense	0.6	0.7	0.9	1.0	0.8	0.5	0.1	0.5
Income (loss) from continuing operations, net of tax	1.9	1.7	1.3	1.5	(0.4)	(1.4)	(0.9)	2.3
Discontinued operations:								
(Loss) income from discontinued operations, net of tax	(0.1)	—	(0.1)	0.0	(0.0)	0.1	0.1	0.4
Gain (loss) on sale of discontinued operations, net of tax	—	—	(0.0)	(0.0)	(0.2)	6.3	(0.3)	—
Discontinued operations, net of tax	(0.1)	—	(0.1)	(0.0)	(0.2)	6.4	(0.2)	0.4
Net income (loss)	1.8	1.7	1.2	1.5	(0.6)	5.0	(1.1)	2.7
Net income attributable to noncontrolling interests, net of tax	0.0	—	0.0	0.0	0.0	0.0	—	0.0
Net income (loss) attributable to Jabil Circuit, Inc.	1.8%	1.7%	1.2%	1.5%	(0.6)%	5.0%	(1.1)%	2.7%

Acquisitions and Expansion

As discussed in Note 16 — “Business Acquisitions” to the Consolidated Financial Statements, we completed six acquisitions during the fiscal year ended August 31, 2015. Acquisitions are accounted for as business combinations using the acquisition method of accounting. Our Consolidated Financial Statements include the operating results of each business from the date of acquisition. See “Risk Factors — We have on occasion not achieved, and may not in the future achieve, expected profitability from our acquisitions; and some divestitures may adversely affect our financial condition, results of operations or cash flows.”

Seasonality

Production levels for a portion of the DMS segment are subject to seasonal influences. We may realize greater net revenue during our first fiscal quarter due to higher demand for consumer related products manufactured in the DMS segment during the holiday selling season.

Liquidity and Capital Resources

At August 31, 2015, we had cash and cash equivalent balances totaling $914.0 million, total notes payable, long-term debt and capital lease obligations of $1.7 billion, $1.8 billion in available liquidity under our revolving credit facilities, $500.0 million in available liquidity under our Term Loan facility and up to $235.2 million in available liquidity under our trade accounts receivable securitization and uncommitted sale programs. We can offer no assurance under the uncommitted sales programs that if we attempt to draw on such programs in the future that we will receive funding from the associated banks which would require us to utilize other available sources of liquidity, including our revolving credit facilities.

Cash Flows

The following table sets forth, for the fiscal years ended August 31 selected consolidated cash flow information (in thousands):

	Fiscal Year Ended August 31,		
	2015	2014	2013
Net cash provided by operating activities	$ 1,240,282	$ 498,857	$ 1,213,889
Net cash (used in) provided by investing activities	(1,121,447)	60,667	(1,374,462)
Net cash used in financing activities	(162,549)	(576,819)	(22,993)
Effect of exchange rate changes on cash and cash equivalents	(42,572)	6,171	(22,317)
Net decrease in cash and cash equivalents	$ (86,286)	$ (11,124)	$ (205,883)

Net cash provided by operating activities during the fiscal year ended August 31, 2015 was approximately $1.2 billion. This resulted primarily from net income of $285.6 million, a $984.7 million increase in accounts payable, accrued expenses and other liabilities, $529.2 million in non-cash depreciation and amortization expense, a $113.0 million decrease in prepaid expenses and other current assets and $62.6 million of recognized stock-based compensation expense and related charges; which were partially offset by a $483.1 million increase in inventories and a $292.7 million increase in accounts receivable. The increase in accounts payable and accrued expenses was primarily driven by the timing of purchases and cash payments as well as advanced deposits made from customers. The decrease in prepaid expenses and other current assets was primarily due to decreases in advance deposits and decreases in the deferred purchase price receivable under our asset-backed securitization programs due to an increase in funding provided by the unaffiliated conduits and financial institutions. The increase in inventories was primarily due to increased demand and to support expected revenue levels in the first quarter of fiscal year 2016. The increase in accounts receivable was primarily driven by the timing of sales and collections activity coupled with higher sales levels.

Net cash used in investing activities during the fiscal year ended August 31, 2015 was $1.1 billion. This consisted primarily of capital expenditures of $963.1 million principally for machinery and equipment for new business particularly within our DMS segment, maintenance levels of machinery and equipment and information technology infrastructure upgrades. In addition, $177.6 million of cash was paid for business acquisitions, net of cash received.

Net cash used in financing activities during the fiscal year ended August 31, 2015 was $162.5 million. This resulted from our receipt of approximately $6.0 billion of proceeds from borrowings under existing debt agreements, which primarily included an aggregate of $5.7 billion of borrowings under the Revolving Credit Facility. This was offset by repayments in an aggregate amount of approximately $6.0 billion, which primarily included an aggregate of $5.7 billion of repayments under the Revolving Credit Facility. In addition, during the fiscal year ended August 31, 2015 we paid $85.6 million, including commissions, to repurchase 4,392,664 of our common shares, we paid $63.1 million in dividends to stockholders and we paid $7.6 million (the equivalent of 402,143 of our common shares) to the IRS on behalf of certain employees to satisfy minimum tax obligations related to the vesting of certain restricted stock awards (as consideration for these payments to the IRS, we withheld $7.6 million of employee-owned common stock related to this vesting).

Sources

We may need to finance day-to-day working capital needs, as well as future growth and any corresponding working capital needs, with additional borrowings under our Revolving Credit Facility and our other revolving credit facilities described below, as well as additional public and private offerings of our debt and equity. Currently, we have a shelf registration statement with the SEC registering the potential sale of an indeterminate amount of debt and equity securities in the future, from time-to-time over the three years following the registration, to augment our liquidity and capital resources. The current shelf registration statement will expire in the first quarter of fiscal year 2018 at which time we currently anticipate filing a new shelf registration statement. Any future sale or issuance of equity or convertible debt securities could result in dilution to current or future shareholders. Further, we may issue debt securities that have rights and privileges senior to those of holders of ordinary shares, and the terms of this debt could impose restrictions on operations, increase debt service obligations, limit our flexibility as a result of debt service requirements and restrictive covenants, potentially negatively affect our credit ratings, and limit our ability to access additional capital or execute our business strategy. We continue to assess our capital structure and evaluate the merits of redeploying available cash to reduce existing debt or repurchase common shares.

We regularly sell designated pools of trade accounts receivable under two asset-backed securitization programs and three uncommitted trade accounts receivable sale programs (collectively referred to herein as the "programs"). Transfers of the receivables under the programs are accounted for as sales and, accordingly, net receivables sold under the programs are excluded from accounts receivable on the Consolidated Balance Sheets and are reflected as cash provided by operating activities on the Consolidated Statements of Cash Flows. Discussion of each of the programs is included in the following paragraphs. In addition, refer to Note 3 — "Trade Accounts Receivable Securitization and Sale Programs" to the Consolidated Financial Statements for further details on the programs.

Also, as described in Note 2 — "Discontinued Operations" to the Consolidated Financial Statements, on April 1, 2014, we completed the sale of our AMS business except for the Malaysian operations, for which the sale was completed on December 31, 2014. We completed these sales for consideration of $725.0 million, which consisted of $675.0 million in cash and an aggregate liquidation preference value of $50.0 million in Senior Non-Convertible Cumulative Preferred Stock of iQor that accretes dividends at an annual rate of 8 percent and is redeemable in nine years or upon a change in control. As a result of the sale, we have additional funds to finance certain of our needs.

a. Asset-Backed Securitization Programs

We continuously sell designated pools of trade accounts receivable under our asset-backed securitization programs to special purpose entities, which in turn sell 100% of the receivables to conduits administered by unaffiliated financial institutions (for the North American asset-backed securitization program) and to an unaffiliated financial institution and a conduit administered by an unaffiliated financial institution (for the foreign asset-backed securitization program). Any portion of the purchase price for the receivables which is not paid in cash upon the sale taking place is recorded as a deferred purchase price receivable, which is paid from available cash as payments on the receivables are collected. Net cash proceeds up to a maximum of $200.0 million for the North American asset-backed securitization program, currently scheduled to expire on October 20, 2017 (as the program was renewed on October 21, 2014), are available at any one time. Net cash proceeds up to a maximum of $175.0 million for the foreign asset-backed securitization program, currently scheduled to expire on May 1, 2018 (as the program was renewed on May 8, 2015), are available at any one time. We increased our facility limit for the foreign asset-backed securitization program from $75.0 million to $175.0 million during the second quarter of fiscal year 2015.

In connection with our asset-backed securitization programs, at August 31, 2015, we sold $801.7 million of eligible trade accounts receivable, which represents the face amount of total sold outstanding receivables at that date. In exchange, we received cash proceeds of $372.4 million and a deferred purchase price receivable. At August 31, 2015, the deferred purchase price receivable in connection with the asset-backed securitization programs totaled $429.3 million. The deferred purchase price receivable was recorded initially at fair value as prepaid expenses and other current assets on the Consolidated Balance Sheets.

b. Trade Accounts Receivable Sale Programs

In connection with three separate trade accounts receivable sale programs with unaffiliated financial institutions, we may elect to sell, at a discount, on an ongoing basis, up to a maximum of $450.0 million, $150.0 million and $100.0 million, respectively, of specific trade accounts receivable at any one time. The $450.0 million trade accounts receivable sale program is an uncommitted facility that was amended during the first quarter of fiscal year 2015 to increase the uncommitted capacity from $350.0 million to $450.0 million and is scheduled to expire on November 1, 2015, although any party may elect to terminate the agreement upon 15 days prior notice. The $450.0 million trade accounts receivable sale program will be automatically extended each year until August 31, 2017, unless any party gives no less than 30 days prior notice that the agreement should not be extended. The $150.0 million trade accounts receivable sale program is an uncommitted facility that is subject to expiration on August 31, 2016 (as the agreement was extended on August 31, 2015). The $100.0 million trade accounts receivable sale program is an uncommitted facility that is scheduled to expire on November 1, 2015, although any party may elect to terminate the agreement upon 15 days prior notice. The $100.0 million trade accounts receivable sale program will be automatically extended each year until November 1, 2018, unless any party gives no less than 30 days prior notice that the agreement should not be extended.

During the fiscal year ended August 31, 2015, we sold $2.1 billion of trade accounts receivable under these programs and we received cash proceeds of $2.1 billion.

Notes payable, long-term debt and capital lease obligations outstanding at August 31, 2015 and August 31, 2014 are summarized below (in thousands):

	August 31, 2015	August 31, 2014
7.750% Senior Notes due 2016(a)	$ 310,378	$ 308,659
8.250% Senior Notes due 2018(b)	399,047	398,665
5.625% Senior Notes due 2020(c)	400,000	400,000
4.700% Senior Notes due 2022(d)	500,000	500,000
Borrowings under credit facilities(e)	323	1,685
Borrowings under loans(f)	30,410	38,207
Capital lease obligations(g)	28,156	30,879
Fair value adjustment related to terminated interest rate swaps on the 7.750% Senior Notes(h)	2,077	4,450
Total notes payable, long-term debt and capital lease obligations	1,670,391	1,682,545
Less current installments of notes payable, long-term debt and capital lease obligations	323,833	12,960
Notes payable, long-term debt and capital lease obligations, less current installments	$1,346,558	$1,669,585

(a) During the fourth quarter of fiscal year 2009, we issued $312.0 million of seven-year, publicly-registered 7.750% notes (the "7.750% Senior Notes") at 96.1% of par, resulting in net proceeds of approximately

$300.0 million. The 7.750% Senior Notes mature on July 15, 2016 and pay interest semiannually on January 15 and July 15. Also, the 7.750% Senior Notes are our senior unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations.

(b) During the second and third quarters of fiscal year 2008, we issued $250.0 million and $150.0 million, respectively, of ten-year, unregistered 8.250% notes at 99.965% of par and 97.5% of par, respectively, resulting in net proceeds of approximately $245.7 million and $148.5 million, respectively. On July 18, 2008, we 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 mature on March 15, 2018 and pay interest semiannually on March 15 and September 15. 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 our senior unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations.

(c) During the first quarter of fiscal year 2011, we issued $400.0 million of ten-year publicly registered 5.625% notes (the "5.625% Senior Notes") at par. The net proceeds from the offering of $400.0 million were used to fully repay the term portion of the credit facility dated as of July 19, 2007 (the "Old Credit Facility") and partially repay amounts outstanding under our foreign asset-backed securitization program. The 5.625% Senior Notes mature on December 15, 2020. Interest on the 5.625% Senior Notes is payable semiannually on June 15 and December 15 of each year, beginning on June 15, 2011. The 5.625% Senior Notes are our senior unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations.

(d) During the fourth quarter of fiscal year 2012, we issued $500.0 million of ten-year publicly registered 4.700% notes (the "4.700% Senior Notes") at 99.992% of par. The net proceeds from the offering of $500.0 million were used to repay outstanding borrowings under our Credit Facility and for general corporate purposes. The 4.700% Senior Notes mature on September 15, 2022 and pay interest semiannually on March 15 and September 15 of each year, beginning on March 15, 2013. The 4.700% Senior Notes are our senior unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations.

(e) As of August 31, 2015, nine of our foreign subsidiaries have credit facilities that finance their future growth and any corresponding working capital needs. Five of the credit facilities are denominated in U.S. dollars, one is denominated in Brazilian reais, one is denominated in Euros, one is denominated in Russian rubles and one is denominated in Taiwan new dollar. The credit facilities incur interest at fixed and variable rates ranging from 0.8% to 28.0%.

On July 6, 2015, we entered into an amended and restated senior unsecured five year credit agreement. The credit agreement provides for the Revolving Credit Facility in the initial amount of $1.5 billion, which may, subject to the lenders' discretion, potentially be increased up to $2.0 billion and a $500.0 million five year delayed draw Term Loan Facility. The Term Loan Facility may be drawn in whole or in part (but on no more than two occasions) until September 30, 2015. Both the Revolving Credit Facility and the Term Loan Facility expire on July 6, 2020, but in the case of the Revolving Credit Facility, subject to two whole or partial one-year extensions, at the lender's discretion. Interest and fees on Revolving Credit Facility and Term Loan Facility advances are based on our non-credit enhanced long-term senior unsecured debt rating as determined by Standard & Poor's Ratings Service, Moody's Investors Service and Fitch Ratings. Interest is charged at a rate equal to (a) for the Revolving Credit Facility, either 0.000% to 0.650% above the base rate or 1.000% to 1.650% above the Eurocurrency rate and (b) for the Term Loan Facility, either 0.125% to 1.000% above the base rate or 1.125% to 2.000% above the Eurocurrency rate, in each case where the base rate represents the greatest of Citibank, N.A.'s base rate, 0.50% above the federal funds rate, and 1.0% above one-month LIBOR, but not less than zero, and the Eurocurrency rate represents adjusted LIBOR or adjusted CDOR, as applicable, for the applicable interest period, but not less than zero, each as more fully described in the Credit Facility 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 ticking fee based on the undrawn term loan commitments until the earlier of September 30, 2015 and the date of the second term loan draw. We, along with our subsidiaries, are subject to the following financial covenants: (1) a maximum Debt to EBITDA Ratio (as defined in the Credit Facility agreement) and (2) a minimum ratio of (a) Consolidated EBITDA to (b) interest payable on, and amortization of debt discount in respect of, all Debt (as defined in the Credit Facility agreement) and loss on sale of accounts receivable. In addition, we are 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; limitation upon use of proceeds; 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.

During fiscal year 2015, we borrowed $5.7 billion against the Revolving Credit Facility under multiple draws and repaid $5.7 billion under multiple payments. On September 22, 2015, we borrowed $500.0 million against the Term Loan Facility.

During the second quarter of fiscal year 2014, a foreign subsidiary of the Company entered into an uncommitted credit facility to finance its growth and any corresponding working capital needs. The credit facility provides for a revolving credit facility in the amount of up to $100.0 million with interest charged at a rate of LIBOR plus 1.7%.

(f) During the third quarter of fiscal year 2012, we entered into a master lease agreement with a variable interest entity (the "VIE") whereby we sell to and subsequently lease back from the VIE up to $60.0 million in certain machinery and equipment for a period of up to five years. In connection with this transaction, we hold a variable interest in the VIE, which was designed to hold debt obligations payable to third-party creditors. The proceeds from such debt obligations are utilized to finance the purchase of the machinery and equipment that is then leased by us. We are the primary beneficiary of the VIE as we have both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. Therefore, we consolidate the financial statements of the VIE and eliminate all intercompany transactions. At August 31,2015, the VIE had approximately $28.5 million of total assets, of which approximately $28.0 million was comprised of a note receivable due from us, and approximately $27.8 million of total liabilities, of which approximately $27.8 million were debt obligations to the third-party creditors (as the VIE has utilized approximately $27.8 million of the $60.0 million debt obligation capacity). The third-party creditors have recourse to our general credit only in the event that we default on our obligations under the terms of the master lease agreement. In addition, the assets held by the VIE can be used only to settle the obligations of the VIE.

In addition to the loans described above, at August 31, 2015, we have borrowings outstanding to fund working capital needs. These additional loans total approximately $2.6 million, of which $1.8 million are denominated in Euros, $0.5 million are denominated in Russian rubles and $0.3 million are denominated in U.S. dollars.

(g) During the fourth quarter of fiscal year 2013, we acquired various capital lease obligations in connection with the acquisition of Nypro.

(h) This amount represents the fair value hedge accounting adjustment related to the 7.750% Senior Notes. For further discussion of our fair value hedges, see Note 13 — "Derivative Financial Instruments and Hedging Activities" to the Consolidated Financial Statements

Under our 7.750%, 8.250%, 5.625% and 4.700% Senior Notes, we are subject to covenants such as limitations on our and/or our subsidiaries' ability to: consolidate or merge with, or convey, transfer or lease all or substantially all of our assets to, another person; create certain liens; enter into sale and leaseback transactions; create, incur, issue, assume or guarantee funded debt (which only applies to our "restricted subsidiaries"); and guarantee any of our indebtedness (which only applies to our subsidiaries). We are also subject to a covenant requiring our repurchase of our 7.750%, 8.250%, 5.625% or 4.700% Senior Notes upon a "change of control repurchase event."

The asset-backed securitization programs require compliance with several covenants. The North American asset-backed securitization program covenants include compliance with the interest coverage ratio and debt to EBITDA ratio of the Credit Facility. The foreign asset-backed securitization program covenants include limitations on certain corporate actions such as mergers and consolidations. At August 31, 2015 and 2014, we were in compliance with all covenants under the Credit Facility and our securitization programs.

Uses

At August 31, 2015, we had approximately $914.0 million in cash and cash equivalents. As our growth remains predominantly outside of the United States, a significant portion of such cash and cash equivalents are held by our foreign subsidiaries. We estimate that approximately $773.4 million of the cash and cash equivalents held by our foreign subsidiaries could not be repatriated to the United States without potential income tax consequences.

As of August 31, 2015, however, we intend to repatriate the Nypro pre-acquisition undistributed foreign earnings of approximately $178.4 million to our U.S. operations. Therefore, we continue to record a deferred tax liability of approximately $80.1 million based on the anticipated U.S. income taxes of the repatriation. We repatriated $100.0 million of current year foreign earnings to our U.S. operations during fiscal year 2015, which had no income statement impact due to the U.S. current year operating loss and the U.S. valuation allowance. We intend to indefinitely reinvest the remaining earnings from our foreign subsidiaries.

For discussion of our cash management and risk management policies see “Quantitative and Qualitative Disclosures About Market Risk.”

We have increased our capital expenditures in an effort to accelerate growth and currently anticipate that during the next 12 months, our capital expenditures, which do not include any amounts spent on acquisitions, will be in the range of $800.0 million to $1.0 billion, principally for capacity and infrastructure; investments in our DMS operations, specifically our mobility, healthcare, packaging and consumer lifestyles businesses; and to support ongoing business in the EMS segment. Additionally, our capital expenditures will be used to expand our capabilities and invest in new non-traditional end markets. The amounts used to fund such capital expenditures will not be available to be deployed elsewhere by us. We believe that our level of resources, which include cash on hand, available borrowings under our revolving credit facilities, additional proceeds available under our trade accounts receivable securitization programs and potentially available under our uncommitted trade accounts receivable sale programs and funds provided by operations, will be adequate to fund these capital expenditures, the payment of any declared quarterly dividends, any potential acquisitions and our working capital requirements for the next 12 months.

Our 7.750% Senior Notes of $312.0 million will mature within the next twelve months. We believe that our cash on hand and available borrowing under our credit facilities will be adequate to fund the payment of the 7.750% Senior Notes. However, we may seek to access public or private debt markets to fund the payment of the 7.750% Senior Notes.

In the fourth quarter of fiscal year 2014, our Board of Directors authorized the repurchase of up to $100.0 million of our common shares during the twelve month period following their authorization. We repurchased 2.0 million shares for approximately $40.0 million during the first quarter of fiscal year 2015, which utilized the remaining amount outstanding of the $100.0 million authorized by our Board of Directors.

In the fourth quarter of fiscal year 2015, our Board of Directors authorized the repurchase of up to an additional $100.0 million of our common shares during the twelve month period following their authorization. During the fourth quarter of fiscal year 2015, 2.4 million shares were repurchased in the open market, utilizing approximately $45.5 million of the $100.0 million authorized by our Board of Directors. In addition, following the end of fiscal year 2015, we repurchased 2.8 million shares for approximately $54.5 million, which utilized the remaining amount outstanding of the $100.0 million authorized by our Board of Directors.

On October 16, 2014, January 21, 2015, April 15, 2015 and July 16, 2015, our Board of Directors approved payment of a quarterly dividend of $0.08 per share to shareholders of record as of November 14, 2014, February 13, 2015, May 15, 2015 and August 14, 2015, respectively. Of the total cash dividend declared on October 16, 2014 of $16.0 million, $15.5 million was paid on December 1, 2014. The remaining $0.5 million is related to dividend equivalents on unvested restricted stock units that will be payable at the time the awards vest. Of the total cash dividend declared on January 21, 2015 of $16.0 million, $15.5 million was paid on March 2, 2015. The remaining $0.5 million is related to dividend equivalents on unvested restricted stock units that will be payable at the time the awards vest. Of the total cash dividend declared on April 15, 2015 of $16.0 million, $15.5 million was paid on June 1, 2015. The remaining $0.5 million is related to dividend equivalents on unvested restricted stock units that will be payable at the time the awards vest. Of the total cash dividend declared on July 16, 2015 of $16.0 million, $15.5 million was paid on September 1, 2015. The remaining $0.5 million is related to dividend equivalents on unvested restricted stock units that will be payable at the time the awards vest. We currently expect to continue to declare and pay regular quarterly dividends of an amount similar to our past declarations. However, the declaration and payment of future dividends are discretionary and will be subject to determination by our Board of Directors each quarter following its review of our financial performance.

Our $200.0 million North American asset-backed securitization program is scheduled to expire on October 20, 2017, and our $175.0 million foreign asset-backed securitization program is scheduled to expire on May 1, 2018. We may be unable to renew either of these programs. The $450.0 million trade accounts receivable sale agreement is an uncommitted facility that was amended during the first quarter of fiscal year 2015 and is scheduled to expire on November 1, 2015, although any party may elect to terminate the agreement upon 15 days prior notice. The $450.0 million trade accounts receivable sale agreement will be automatically extended each year until August 31, 2017, unless any party gives no less than 30 days prior notice that the agreement should not be extended. The $150.0 million trade accounts receivable sale agreement is an uncommitted facility that is subject to expiration on August 31, 2016 (as the agreement was extended on August 31, 2015). The $100.0 million trade accounts receivable sale agreement is an uncommitted facility that is scheduled to expire on November 1, 2015, although any party may elect to terminate the agreement upon 15 days prior notice. The $100.0 million trade accounts receivable sale agreement will be automatically extended each year until November 1, 2018, unless any party gives no less than 30 days prior notice that the agreement should not be extended. We can offer no assurance under the uncommitted sales programs that if we attempt to sell receivables under such programs in the future that we will receive funding from the associated banks which would require us to utilize other available sources of liquidity, including our revolving credit facilities.

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

Should we desire to consummate significant additional acquisition opportunities or undertake significant additional expansion activities, our capital needs would increase and could possibly result in our need to increase available borrowings under our revolving credit facilities or access public or private debt and equity markets. There can be no assurance, however, that we would be successful in raising additional debt or equity on terms that we would consider acceptable. See "Risk Factors — Our amount of debt could significantly increase in the future."

Contractual Obligations

Our contractual obligations for short and long-term debt arrangements and capital lease obligations; future interest on notes payable, long-term debt and capital lease obligations; future minimum lease payments under non-cancelable operating lease arrangements; non-cancelable purchase order obligations for property, plant and equipment; pension and postretirement contributions and payments and capital commitments as of August 31, 2015 are summarized below. While, as disclosed below, we have certain non-cancelable purchase order obligations for property, plant and equipment, we generally do not enter into non-cancelable purchase orders for materials until we receive a corresponding purchase commitment from our customer. Non-cancelable purchase orders do not typically extend beyond the normal lead time of several weeks at most. Purchase orders beyond this time frame are typically cancelable.

	Payments due by period (in thousands)				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Notes payable, long-term debt and capital lease obligations(a)	$1,668,314	$321,756	$420,378	$ 2,835	$ 923,345
Future interest on notes payable, long-term debt and capital lease obligations(b)	412,254	103,040	147,122	95,454	66,638
Operating lease obligations	473,186	99,226	142,206	96,177	135,577
Non-cancelable purchase order obligations(c)	189,428	181,866	7,504	58	—
Pension and postretirement contributions and payments(d)	10,760	3,977	1,125	1,363	4,295
Total contractual cash obligations(e)	$2,753,942	$709,865	$718,335	$195,887	$1,129,855

(a) The above table excludes a $2.1 million fair value adjustment related to the former interest rate swap on the 7.750% Senior Notes.

(b) At August 31, 2015, our notes payable, long-term debt and capital lease obligations pay interest at predominantly fixed rates.

(c) Consists of purchase commitments entered into as of August 31, 2015 for property, plant and equipment pursuant to legally enforceable and binding agreements.

(d) Includes the estimated company contributions to funded pension plans during fiscal year 2016 and the expected benefit payments for unfunded pension and postretirement plans from fiscal years 2016 through 2025. These future payments are not recorded on the Consolidated Balance Sheets but will be recorded as incurred.

(e) At August 31, 2015, we have $2.2 million and $96.4 million recorded as a current and a long-term liability, respectively, for uncertain tax positions. We are not able to reasonably estimate the timing of payments, or the amount by which our liability for these uncertain tax positions will increase or decrease over time, and accordingly, this liability has been excluded from the above 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 fluctuations. We enter into forward contracts to economically hedge transactional exposure associated with commitments arising from trade accounts receivable, trade accounts payable, intercompany transactions and fixed purchase obligations denominated in a currency other than the functional currency of the respective operating entity. We do not, and do not intend to use derivative financial instruments for speculative purposes. All derivative instruments are recorded on our Consolidated Balance Sheets at their respective fair values. At August 31, 2015, except for certain foreign currency contracts with a notional amount outstanding of $615.1 million and a fair value of $0.3 million recorded in prepaid expenses and other current assets and $16.5 million recorded in other accrued expenses and deferred income, the forward contracts have not been designated as accounting hedges and, therefore, changes in fair value are recorded within our Consolidated Statements of Operations.

The aggregate notional amount of outstanding contracts at August 31, 2015 that are not designated as accounting hedges was $1.8 billion. The fair values of these contracts amounted to a $5.5 million asset recorded in prepaid expenses and other current assets and a $29.5 million liability recorded to other accrued expenses and deferred income on our Consolidated Balance Sheets.

The forward contracts (both those that are designated as accounting hedging instruments and those that are not) will generally expire in less than three months, with ten months being the maximum term of the contracts outstanding at August 31, 2015. The change in fair value related to contracts designated as accounting hedging instruments will be reflected in the revenue or expense line in which the underlying transaction occurs within our Consolidated Statements of Operations. The change in fair value related to contracts not designated as accounting hedging instruments will be reflected in cost of revenue within our Consolidated Statements of Operations. The forward contracts are denominated in Brazilian reais, British pounds, Chinese yuan renminbi, Euros, Hungarian forints, Indian rupees, Japanese yen, Malaysian ringgits, Mexican pesos, Polish zlotys, Russian rubles, Swiss francs, Taiwan dollars and U.S. dollars.

Based on our overall currency rate exposures as of August 31, 2015, including the derivative financial instruments intended to hedge the nonfunctional currency-denominated monetary assets and liabilities, an immediate 10% hypothetical change of foreign currency exchange rates would not have a material effect on our Consolidated Financial Statements.

Interest Rate Risk

A portion of our exposure to market risk for changes in interest rates relates to our domestic investment portfolio. We do not, and do not intend to, use derivative financial instruments for speculative purposes. We place cash and cash equivalents with various major financial institutions. We protect our invested principal funds by limiting default risk, market risk and reinvestment risk. We mitigate these risks by generally investing in investment grade securities and by frequently positioning the portfolio to try to respond appropriately to a reduction in credit rating of any investment issuer, guarantor or depository to levels below the credit ratings dictated by our investment policy. The portfolio typically includes only marketable securities with active secondary or resale markets to ensure portfolio liquidity. At August 31, 2015, there were no significant outstanding investments.

During the second quarter of fiscal year 2011, we entered into a series of interest rate swaps with an aggregate notional amount of $200.0 million designated as fair value hedges of a portion of our 7.750% Senior Notes. Under these interest rate swaps, we received fixed rate interest payments and paid interest at a variable rate based on LIBOR plus a spread. The effect of these swaps was to convert fixed rate interest expense on a portion of the 7.750% Senior Notes to floating rate interest expense. Gains and losses related to changes in the fair value of the interest rate swaps were recorded to interest expense and offset changes in the fair value of the hedged portion of the underlying 7.750% Senior Notes.

During the fourth quarter of fiscal year 2011, we terminated the interest rate swaps entered into in connection with the 7.750% Senior Notes with a fair value of $12.2 million, including accrued interest of $0.6 million at August 31, 2011. The portion of the fair value that is not accrued interest is recorded as a hedge accounting adjustment to the carrying amount of the 7.750% Senior Notes and is being amortized as a reduction to interest expense over the remaining term of the 7.750% Senior Notes. At August 31, 2015, the hedge accounting adjustment recorded is $2.1 million in the Consolidated Balance Sheets.

We pay interest on several of our outstanding borrowings at interest rates that fluctuate based upon changes in various base interest rates. There were $0.1 million in borrowings outstanding under these facilities at August 31, 2015. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources” and Note 8 — “Notes Payable, Long-Term Debt and Capital Lease Obligations” to the Consolidated Financial Statements for additional information regarding our outstanding debt obligations. The effect of an immediate hypothetical 10% change in variable interest rates would not have a material effect on our Consolidated Financial Statements.

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 Results" and is incorporated into this item by reference. All other information required by this item is included in Item 15 of Part IV of this Report and is incorporated into this item by reference.

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 supervision and with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15 and 15d-15 under the Exchange Act ("Disclosure Controls") as of August 31, 2015. Based on the Evaluation, our CEO and CFO concluded that the design and operation of our Disclosure Controls were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) accumulated and communicated to our senior management, including our CEO and CFO, to allow timely decisions regarding required 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, 2015. Management's report on internal control over financial reporting as of August 31, 2015 is incorporated herein at Item 15. Ernst & Young LLP, our independent registered certified public accounting firm, issued an audit report on the effectiveness of our internal control over financial reporting as of August 31, 2015, which is incorporated herein at Item 15.

(c) Changes in Internal Control over Financial Reporting

For our fiscal quarter ended August 31, 2015, we did not identify any modifications to our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Many of the components of our internal controls over financial reporting are evaluated on an ongoing basis by our finance organization to ensure continued compliance with the Exchange Act. The overall goals of these various evaluation activities are to monitor our internal controls over financial reporting and to modify them as necessary. We intend to maintain our internal controls over financial reporting as dynamic processes and procedures that we adjust as circumstances merit, and we have reached our conclusions set forth above, notwithstanding certain improvements and modifications.

(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 financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls may be circumvented by the 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, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control 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 set forth above on our disclosure controls and procedures and our internal control over financial reporting.

The SEC's general guidance permits the exclusion of an assessment of the effectiveness of a registrant's controls and procedures as they relate to its internal control over financial reporting for an acquired business during the first year following such acquisition if, among other circumstances and factors, there is not an adequate amount of time between the acquisition date and the date of assessment. On July 1, 2015, we acquired J.Y.E. Castella Llorca, S.L. and each of its subsidiaries (collectively referred to as "Plasticos") and throughout fiscal year 2015 we completed five other immaterial acquisitions. In accordance with the SEC guidance, the scope of our evaluation of internal controls over financial reporting as of August 31, 2015 did not include the internal control over financial reporting of these acquired operations. Assets acquired from Plasticos and the five other acquired entities represent 3.9% of our total consolidated assets at August 31, 2015. Net revenue generated by Plasticos and the five other acquired entities subsequent to the date of acquisition represent 0.6% of our consolidated net revenue for the fiscal year ended August 31, 2015. We continue to evaluate internal controls over financial reporting for each acquired entity. From the acquisition date to August 31, 2015, the processes and systems of the acquired operations did not significantly impact 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 accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (the "Section 302 Certifications"). This Item of this report, which you are currently reading contains the information concerning the Evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

Item 9B. Other Information

None.

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 information set forth under the captions "Proposal No. 1 — Election of Directors" and "Corporate Governance and Board of Directors Matters" in our Proxy Statement for the 2015 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended August 31, 2015.

Executive Officers

Information regarding our executive officers is included in Item 1 of Part I of this Report under the heading "Executive Officers of the Registrant" and is 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 from the section entitled "Beneficial Ownership — Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement for the 2015 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended August 31, 2015.

Codes of Ethics

We have adopted a senior code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, controller and other persons performing similar functions. We have also adopted a general code of business conduct and ethics that applies to all of our directors, officers and employees. These codes are posted on our website in the investor relations section at *http://www.jabil.com*. Stockholders may request a free copy of either 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, a provision of the code of ethics by posting such information on our website, at the address specified above. Similarly, we expect to disclose to stockholders any waiver of the code of business conduct and ethics for executive officers or directors by posting such information on our website, at the address specified above. Information contained in our website, whether currently posted or posted in the future, is not part of this document or the documents incorporated by reference in this document.

Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines, which are available on our website at *http://www.jabil.com*. Stockholders may request a copy of the 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 are available on our website at *http://www.jabil.com*. Stockholders may request a copy of each of these charters from the address and phone number set forth under "— Codes of Ethics."

Item 11. Executive Compensation

Information regarding executive compensation is incorporated by reference to the information set forth under the caption "Compensation Discussion & Analysis" in our Proxy Statement for the 2015 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended August 31, 2015.

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 the information set forth under the caption "Beneficial Ownership — Share Ownership by Principal Stockholders and Management" in our Proxy Statement for the 2015 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended August 31, 2015.

The following table sets forth certain information relating to our equity compensation plans as of August 31, 2015.

Equity Compensation Plan Information

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding - Options, Warrants and Rights(3)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans(4)
Plans approved by security holders:			
2002 Stock Incentive Plan	3,394,878(1)	$27.49	NA
2011 Stock Award and Incentive Plan	340,000	$18.49	8,376,072
2011 Employee Stock Purchase Plan	NA	NA	2,259,724
Restricted Stock Awards	11,931,585(2)	NA	NA
Subtotal	15,666,463		10,635,796
Plans not approved by security holders:	—	—	—
Subtotal	—		—
Total	15,666,463		10,635,796

(1) Amount reflects the number of shares of securities to be issued upon exercise of outstanding options, warrants and rights.

(2) Amount reflects the number of shares issuable upon vesting of restricted stock awards granted under the 2011 Stock Award and Incentive Plan, which represents the maximum number of shares that can vest based on the achievement of certain performance criteria.

(3) The weighted-average exercise price does not take into account the shares issuable upon vesting of restricted stock awards and restricted stock unit awards, which are not options, warrants or rights and have no exercise price.

(4) All of the shares available for future issuance under the 2011 Stock Award and Incentive Plan may be issued in connection with options, warrants, rights, restricted stock or other stock-based awards.

See Note 11 — "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 forth under the caption "Related Party Transactions — Certain Related Party Transactions" in our Proxy Statement for the 2015 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended August 31, 2015.

Item 14. Principal Accounting Fees and Services

Information regarding principal accounting fees and services is incorporated by reference to the information set forth under the captions "Ratification of Appointment of Independent Registered Certified Public Accounting Firm — Principal Accounting Fees and Services" and "— Policy on Audit Committee Pre-Approval of Audit, Audit Related and Permissible Non-Audit Services" in our Proxy Statement for the 2015 Annual Meeting of Stockholders to be filed with SEC within 120 days after the end of our fiscal year ended August 31, 2015.

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 registered certified public accounting firm reports thereon are included in Part IV of this report on the pages indicated by the Index to Consolidated Financial Statements and Schedule as presented on page 79 of this report.

2. *Financial Statement Schedule.* Our financial statement schedule is included in Part IV of this report on the page indicated by the Index to Consolidated Financial Statements and Schedule as presented on page 79 of this report. This financial statement schedule should be read in 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 they are not applicable, not required, or the information required to be set forth therein is included in the consolidated financial statements or notes thereto.

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

Management of Jabil Circuit, Inc. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting as 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, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, the Company's management conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of August 31, 2015. Management based this assessment on the framework as established in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of the Company's internal control over financial reporting and testing of the effectiveness of its internal control over financial reporting.

The SEC's general guidance permits the exclusion of an assessment of the effectiveness of a registrant's controls and procedures as they relate to its internal control over financial reporting for an acquired business during the first year following such acquisition if, among other circumstances and factors, there is not an adequate amount of time between the acquisition date and the date of assessment. On July 1, 2015, the Company acquired J.Y.E. Castella Llorca, S.L. and each of its subsidiaries (collectively referred to as "Plasticos") and throughout fiscal year 2015 the Company completed five other immaterial acquisitions. In accordance with the SEC guidance, the scope of the Company's evaluation of internal controls over financial reporting as of August 31, 2015 did not include the internal control over financial reporting of these acquired operations. Assets acquired from Plasticos and the five other acquired entities represent 3.9% of the Company's total consolidated assets at August 31, 2015. Net revenue generated by Plasticos and the five other acquired entities subsequent to the date of acquisition represent 0.6% of the Company's consolidated net revenue for the fiscal year ended August 31, 2015. The Company continues to evaluate internal controls over financial reporting for each acquired entity. From the acquisition date to August 31, 2015, the processes and systems of the acquired operations did not significantly impact the Company's internal control over financial reporting.

Based on this assessment, management has concluded that, as of August 31, 2015, the Company maintained effective internal control over financial reporting.

Ernst & Young LLP, the Company's independent registered certified public accounting firm, issued an audit report on the effectiveness of the Company's internal control over financial reporting which follows this report.

October 16, 2015

Report of Independent Registered Certified Public Accounting Firm

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

We have audited Jabil Circuit, Inc. and subsidiaries' internal control over financial reporting as of August 31, 2015, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Jabil Circuit, Inc. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

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

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

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

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of J.Y.E. Castella Llorca, S.L. and each of its subsidiaries (collectively referred to as "Plasticos") and five other acquired entities, which are included in the fiscal 2015 consolidated financial statements of Jabil Circuit, Inc. and subsidiaries and collectively constituted 3.9% of total assets as of August 31, 2015 and 0.6% of net revenues for the year then ended. Our audit of internal control over financial reporting of Jabil Circuit, Inc. and subsidiaries also did not include an evaluation of the internal control over financial reporting of Plasticos and the five other acquired entities.

In our opinion, Jabil Circuit, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of August 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Jabil Circuit, Inc. and subsidiaries as of August 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended August 31, 2015 of Jabil Circuit, Inc. and subsidiaries and our report dated October 16, 2015 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Tampa, Florida
October 16, 2015

Report of Independent Registered Certified Public Accounting Firm

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

We have audited the accompanying consolidated balance sheets of Jabil Circuit, Inc. and subsidiaries as of August 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended August 31, 2015. Our audits also included the financial statement schedule listed in Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jabil Circuit, Inc. and subsidiaries at August 31, 2015 and 2014 and the consolidated results of their operations and their cash flows for each of the three years in the period ended August 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Jabil Circuit, Inc. and subsidiaries' internal control over financial reporting as of August 31, 2015, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated October 16, 2015, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Tampa, Florida
October 16, 2015

JABIL CIRCUIT, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands, except for share data)

	August 31, 2015	August 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 913,963	$1,000,249
Accounts receivable, net of allowance for doubtful accounts	1,467,247	1,208,516
Inventories	2,507,264	2,008,077
Prepaid expenses and other current assets	898,790	1,057,562
Deferred income taxes	79,045	64,944
Assets of discontinued operations	—	19,669
Total current assets	5,866,309	5,359,017
Property, plant and equipment, net of accumulated depreciation	2,804,333	2,271,705
Goodwill	462,382	383,644
Intangible assets, net of accumulated amortization	283,536	244,056
Deferred income taxes	85,169	92,702
Other assets	101,478	128,622
Total assets	$ 9,603,207	$8,479,746
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of notes payable, long-term debt and capital lease obligations	$ 323,833	$ 12,960
Accounts payable	3,663,264	3,060,814
Accrued compensation and employee benefits	504,226	421,884
Other accrued expenses and deferred income	1,181,363	813,222
Deferred income taxes	2,455	5,094
Liabilities of discontinued operations	—	7,123
Total current liabilities	5,675,141	4,321,097
Notes payable, long-term debt and capital lease obligations, less current installments	1,346,558	1,669,585
Other liabilities	67,951	79,471
Income tax liabilities	96,379	87,555
Deferred income taxes	82,167	61,670
Total liabilities	7,268,196	6,219,378
Commitments and contingencies		
Equity:		
Jabil Circuit, Inc. stockholders' equity:		
Preferred stock, $0.001 par value, authorized 10,000,000 shares; no shares issued and outstanding	—	—
Common stock, $0.001 par value, authorized 500,000,000 shares; 246,680,008 and 243,930,983 shares issued and 192,068,068 and 194,113,850 shares outstanding at August 31, 2015 and August 31, 2014, respectively	247	244
Additional paid-in capital	1,955,104	1,874,219
Retained earnings	1,468,910	1,245,772
Accumulated other comprehensive (loss) income	(50,854)	86,962
Treasury stock at cost, 54,611,940 and 49,817,133 shares at August 31, 2015 and August 31, 2014, respectively	(1,058,551)	(965,369)
Total Jabil Circuit, Inc. stockholders' equity	2,314,856	2,241,828
Noncontrolling interests	20,155	18,540
Total equity	2,335,011	2,260,368
Total liabilities and equity	$ 9,603,207	$8,479,746

See accompanying notes to Consolidated Financial Statements.

JABIL CIRCUIT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per share data)

	Fiscal Year Ended August 31,		
	2015	2014	2013
Net revenue	$17,899,196	$15,762,146	$17,249,493
Cost of revenue	16,395,978	14,736,543	16,037,303
Gross profit	1,503,218	1,025,603	1,212,190
Operating expenses:			
Selling, general and administrative	862,647	675,730	614,295
Research and development	27,645	28,611	28,412
Amortization of intangibles	24,449	23,857	10,954
Restructuring and related charges	33,066	85,369	80,513
Loss on disposal of subsidiaries	—	7,962	—
Impairment of notes receivable and related charges	—	—	25,597
Operating income	555,411	204,074	452,419
Other expense	5,627	7,637	6,095
Interest income	(9,953)	(3,741)	(1,813)
Interest expense	128,091	128,055	121,023
Income from continuing operations before tax	431,646	72,123	327,114
Income tax expense	137,461	73,711	7,631
Income (loss) from continuing operations, net of tax	294,185	(1,588)	319,483
Discontinued operations:			
(Loss) income from discontinued operations, net of tax	(7,698)	20,554	50,608
(Loss) gain on sale of discontinued operations, net of tax	(875)	223,299	—
Discontinued operations, net of tax	(8,573)	243,853	50,608
Net income	285,612	242,265	370,091
Net income (loss) attributable to noncontrolling interests, net of tax	1,593	952	(1,391)
Net income attributable to Jabil Circuit, Inc.	$ 284,019	$ 241,313	$ 371,482
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:			
Basic:			
Income (loss) from continuing operations, net of tax	$ 1.51	$ (0.01)	$ 1.58
Discontinued operations, net of tax	$ (0.04)	$ 1.20	$ 0.25
Net income	$ 1.47	$ 1.19	$ 1.83
Diluted:			
Income (loss) from continuing operations, net of tax	$ 1.49	$ (0.01)	$ 1.54
Discontinued operations, net of tax	$ (0.04)	$ 1.20	$ 0.24
Net income	$ 1.45	$ 1.19	$ 1.79
Weighted average shares outstanding:			
Basic	193,689	202,497	203,096
Diluted	196,005	202,497	207,815
Cash dividends declared per share	$ 0.32	$ 0.32	$ 0.32

See accompanying notes to Consolidated Financial Statements.

JABIL CIRCUIT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Fiscal Year Ended August 31,		
	2015	2014	2013
Net income	$ 285,612	$242,265	$370,091
Other comprehensive income:			
Foreign currency translation adjustment, net of tax	(116,745)	(2,183)	(23,522)
Changes in fair value of derivative instruments, net of tax	(29,107)	2,469	(182)
Reclassification of net losses realized and included in net income related to derivative instruments, net of tax	12,502	7,153	2,285
Unrealized loss on available for sale securities, net of tax	(14,404)	(1,513)	—
Actuarial gain (loss), net of tax	10,080	(446)	(4,475)
Prior service cost, net of tax	(142)	234	867
Total other comprehensive (loss) income	(137,816)	5,714	(25,027)
Comprehensive income	$ 147,796	$247,979	$345,064
Comprehensive income (loss) attributable to noncontrolling interests	1,593	952	(1,391)
Comprehensive income attributable to Jabil Circuit, Inc.	$ 146,203	$247,027	$346,455

See accompanying notes to Consolidated Financial Statements.

JABIL CIRCUIT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except for share data)

	Jabil Circuit, Inc. Stockholders' Equity							
	Common Stock		Additional Paid-in Capital	Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income	Treasury Stock	Noncontrolling Interests	Total Equity
	Shares Outstanding	Par Value						
Balance at August 31, 2012	206,028,577	$232	$1,752,847	$ 766,934	$ 106,275	$ (521,231)	$ 2,278	$2,107,335
Shares issued upon exercise of stock options	256,419	5	3,361	—	—	—	—	3,366
Shares issued under employee stock purchase plan	902,691	1	14,918	—	—	—	—	14,919
Vesting of restricted stock awards	4,504,249	—	—	—	—	—	—	—
Purchases of treasury stock under employee stock plans	(1,184,162)	—	—	—	—	(20,290)	—	(20,290)
Treasury shares purchased	(7,342,904)	—	—	—	—	(129,262)	—	(129,262)
Recognition of stock-based compensation	—	—	67,824	—	—	—	—	67,824
Excess tax benefit of stock awards	—	—	14,459	—	—	—	—	14,459
Declared dividends	—	—	—	(67,241)	—	—	—	(67,241)
Comprehensive income	—	—	—	371,482	(25,027)	—	(1,391)	345,064
Acquisition of noncontrolling interests	—	—	—	—	—	—	36,548	36,548
Purchase of noncontrolling interests	—	—	—	—	—	—	(17,500)	(17,500)
Capital contribution of noncontrolling interests	—	—	—	—	—	—	316	316
Foreign currency adjustments attributable to noncontrolling interests	—	—	—	—	—	—	29	29
Balance at August 31, 2013	203,164,870	$238	$1,853,409	$1,071,175	$ 81,248	$ (670,783)	$ 20,280	$2,355,567
Shares issued upon exercise of stock options	1,251	—	—	—	—	—	—	—
Shares issued under employee stock purchase plan	1,077,071	6	15,767	—	—	—	—	15,773
Vesting of restricted stock awards	5,120,099	—	—	—	—	—	—	—
Purchases of treasury stock under employee stock plans	(1,569,059)	—	—	—	—	(34,312)	—	(34,312)
Treasury shares purchased	(13,680,382)	—	—	—	—	(260,274)	—	(260,274)
Recognition of stock-based compensation	—	—	8,186	—	—	—	—	8,186
Excess tax benefit of stock awards	—	—	(2,396)	—	—	—	—	(2,396)
Declared dividends	—	—	—	(66,716)	—	—	—	(66,716)
Comprehensive income	—	—	—	241,313	5,714	—	952	247,979
Adjustment of noncontrolling interests	—	—	—	—	—	—	5,174	5,174
Purchase of noncontrolling interests	—	—	(747)	—	—	—	(973)	(1,720)
Sale of noncontrolling interests	—	—	—	—	—	—	(6,898)	(6,898)
Foreign currency adjustments attributable to noncontrolling interests	—	—	—	—	—	—	5	5
Balance at August 31, 2014	194,113,850	$244	$1,874,219	$1,245,772	$ 86,962	$ (965,369)	$ 18,540	$2,260,368
Shares issued upon exercise of stock options	36,165	—	—	—	—	—	—	—
Shares issued under employee stock purchase plan	1,005,916	2	18,058	—	—	—	—	18,060
Vesting of restricted stock awards	1,706,944	1	(1)	—	—	—	—	—
Purchases of treasury stock under employee stock plans	(402,143)	—	—	—	—	(7,606)	—	(7,606)
Treasury shares purchased	(4,392,664)	—	—	—	—	(85,576)	—	(85,576)
Recognition of stock-based compensation	—	—	62,826	—	—	—	—	62,826
Excess tax benefit of stock awards	—	—	2	—	—	—	—	2
Declared dividends	—	—	—	(60,881)	—	—	—	(60,881)
Comprehensive income	—	—	—	284,019	(137,816)	—	1,593	147,796
Acquisition of noncontrolling interests	—	—	—	—	—	—	329	329
Purchase of noncontrolling interests	—	—	—	—	—	—	(345)	(345)
Foreign currency adjustments attributable to noncontrolling interests	—	—	—	—	—	—	38	38
Balance at August 31, 2015	192,068,068	$247	$1,955,104	$1,468,910	$ (50,854)	$(1,058,551)	$ 20,155	$2,335,011

See accompanying notes to Consolidated Financial Statements.

JABIL CIRCUIT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Fiscal Year Ended August 31,		
	2015	2014	2013
Cash flows from operating activities:			
Net income	$ 285,612	$ 242,265	$ 370,091
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	529,176	487,278	418,117
Gain on sale of discontinued operations	—	(230,878)	—
Restructuring and related charges	4,445	42,534	2,058
Provision for allowance for doubtful accounts	9,752	16,268	—
Recognition of stock-based compensation expense and related charges	62,560	10,624	68,383
Deferred income taxes	(10,912)	(38,971)	(123,165)
Impairment of notes receivable and related charges	—	—	25,597
Excess tax benefit related to stock awards	(246)	(782)	(14,605)
Loss on disposal of subsidiaries	—	7,962	—
Loss (gain) on sale of property, plant and equipment	12,316	(1,773)	1,679
Other, net	659	8,689	8,879
Change in operating assets and liabilities, exclusive of net assets acquired:			
Accounts receivable	(292,706)	(116,458)	750
Inventories	(483,071)	160,790	50,229
Prepaid expenses and other current assets	113,012	73,492	(75,962)
Other assets	25,034	6,552	(7,052)
Accounts payable, accrued expenses and other liabilities	984,651	(168,735)	488,890
Net cash provided by operating activities	1,240,282	498,857	1,213,889
Cash flows from investing activities:			
Cash paid for business and intangible asset acquisitions, net of cash	(177,632)	—	(650,054)
Proceeds from sale of discontinued operations and subsidiaries, net of cash	10,191	531,189	—
Acquisition of property, plant and equipment	(963,145)	(624,060)	(736,858)
Proceeds from sale of property, plant and equipment	15,784	161,138	15,792
Investments in non-marketable equity securities	(11,939)	(3,600)	(3,342)
Other, net	5,294	(4,000)	—
Net cash (used in) provided by investing activities	(1,121,447)	60,667	(1,374,462)
Cash flows from financing activities:			
Borrowings under debt agreements	5,966,937	6,175,953	5,764,400
Payments toward debt agreements	(5,988,232)	(6,400,089)	(5,586,738)
Payments to acquire treasury stock	(85,576)	(260,274)	(129,262)
Dividends paid to stockholders	(63,138)	(68,211)	(67,181)
Net proceeds from exercise of stock options and issuance of common stock under employee stock purchase plan	18,062	15,771	18,285
Treasury stock minimum tax withholding related to vesting of restricted stock	(7,606)	(34,312)	(20,290)
Cash paid to purchase noncontrolling interest	(345)	(1,720)	(17,500)
Excess tax benefit related to stock awards	246	782	14,605
Other, net	(2,897)	(4,719)	688
Net cash used in financing activities	(162,549)	(576,819)	(22,993)
Effect of exchange rate changes on cash and cash equivalents	(42,572)	6,171	(22,317)
Net decrease in cash and cash equivalents	(86,286)	(11,124)	(205,883)
Cash and cash equivalents at beginning of period	1,000,249	1,011,373	1,217,256
Cash and cash equivalents at end of period	$ 913,963	$ 1,000,249	$ 1,011,373
Supplemental disclosure information:			
Interest paid, net of capitalized interest	$ 118,891	$ 118,689	$ 102,614
Income taxes paid, net of refunds received	$ 143,580	$ 118,271	$ 128,780

See accompanying 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 electronic manufacturing services and solutions. The Company provides comprehensive electronics design, production and product management services to companies in the automotive, consumer lifestyles and wearable technologies, defense and aerospace, digital home, emerging growth, healthcare, industrial and energy, mobility, networking and telecommunications, packaging, point of sale, printing and storage industries. The Company's services combine a highly automated, continuous flow manufacturing approach with advanced electronic design and design for manufacturability technologies. The Company is headquartered in St. Petersburg, Florida and has manufacturing operations in the Americas, Europe and 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 majority-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in preparing the consolidated financial statements. In the opinion of management, all adjustments (consisting primarily of normal recurring accruals) necessary to present fairly the information have been included. The Company has made certain reclassification adjustments to conform prior periods' Consolidated Financial Statements and Notes to the Consolidated Financial Statements to the current presentation, including adjustments related to the change in reportable segments. Refer to Note 12 — "Concentration of Risk and Segment Data" for further details.

b. Use of Accounting Estimates

Management is required to make estimates and assumptions during the preparation of the consolidated financial statements and accompanying notes in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"). These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements. They also affect the reported amounts of net 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 consolidated financial statement purposes. Cash equivalents consist of investments in money market funds with original maturities of 90 days or less. At August 31, 2015 and 2014 there were $23.3 million and $9.6 million of cash equivalents, respectively. Management considers the carrying value of cash and cash equivalents to be a reasonable approximation of fair value given the short-term nature of these financial instruments.

d. Inventories

Inventories are stated at the lower of cost or market and use a first in, first out (FIFO) method.

e. *Property, Plant and Equipment, net*

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

Asset Class	Estimated Useful Life
Buildings	Up to 35 years
Leasehold improvements	Shorter of lease term or useful life of the improvement
Machinery and equipment	2 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 recorded as notes payable, long-term debt and capital lease obligations on the Consolidated Balance Sheets. Amortization of assets held under capital leases is included in depreciation expense in the Consolidated Statements of Operations. Maintenance and repairs are expensed as they are incurred. The cost and related accumulated depreciation of assets sold or retired are removed from the accounts and any resulting gain or loss is reflected in the Consolidated Statements of Operations as a component of operating income.

f. *Goodwill and Other Intangible Assets*

The Company accounts for goodwill in a business combination as the excess of the cost over the fair value of net assets acquired. Business combinations can also result in other intangible assets being recognized. Amortization of intangible assets, if applicable, occurs over the estimated useful life of the asset. The Company tests goodwill for impairment at least annually or more frequently under certain circumstances, using a two-step method. The Company conducts this review during the fourth quarter of each fiscal year absent any triggering events. Furthermore, identifiable intangible assets that are determined to have indefinite useful economic lives are not amortized, but are separately tested for impairment at least annually, using a one-step fair value based approach or when certain indicators of impairment are present.

g. *Impairment of Long-lived Assets*

Long-lived assets, such as property, plant and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of the asset or asset group is measured by comparison of its carrying amount to undiscounted future net cash flows the asset is expected to generate. If the carrying amount of an asset or asset group is not recoverable, the Company recognizes an impairment loss based on the excess of the carrying amount of the long-lived asset or asset group over its respective fair value which is generally determined as the present value of estimated future cash flows or as the appraised value.

h. *Revenue Recognition*

The Company's net revenue is principally from the manufacturing services of electronic equipment built to customer specifications. The Company also derives revenue to a lesser extent from design services and excess inventory sales. Revenue from manufacturing services and excess inventory sales is generally recognized, net of estimated product return costs, when goods are shipped; title and risk of ownership have passed; the price to the buyer is fixed or determinable; and collectability is reasonably assured. Design service related revenue is generally recognized upon completion and acceptance by the respective customer. The Company generally assumes no significant obligations after product shipment. Taxes that are collected from the Company's customers and remitted to governmental authorities are presented within the Company's Consolidated Statement of Operations on a net basis. The Company records shipping and handling costs reimbursed by the customer in revenue.

i. Accounts Receivable

Accounts receivable consist of trade receivables and other miscellaneous receivables. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Bad debts are charged to this allowance after all attempts to collect the balance are exhausted. Allowances of $11.7 million and $2.0 million were recorded at August 31, 2015 and 2014, respectively. As the financial condition and circumstances of the Company's customers change, adjustments to the allowance for doubtful accounts are made as necessary.

j. Income Taxes

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

k. Earnings Per Share

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

	Fiscal Year Ended August 31,		
	2015	2014	2013
Numerator:			
Income (loss) from continuing operations, net of tax	$294,185	$ (1,588)	$319,483
Net income (loss) attributable to noncontrolling interests, net of tax	1,593	952	(1,391)
Income (loss) from continuing operations attributable to Jabil Circuit, Inc., net of tax	$292,592	$ (2,540)	$320,874
Discontinued operations attributable to Jabil Circuit, Inc., net of tax	(8,573)	243,853	50,608
Net income attributable to Jabil Circuit, Inc.	$284,019	$241,313	$371,482
Denominator for basic and diluted earnings per share:			
Denominator for basic earnings per share	193,689	202,497	203,096
Dilutive common shares issuable under the employee stock purchase plan and upon exercise of stock options and stock appreciation rights	159	—	33
Dilutive unvested restricted stock awards	2,157	—	4,686
Denominator for diluted earnings per share	196,005	202,497	207,815
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:			
Basic:			
Income (loss) from continuing operations, net of tax	$ 1.51	$ (0.01)	$ 1.58
Discontinued operations, net of tax	$ (0.04)	$ 1.20	$ 0.25
Net income	$ 1.47	$ 1.19	$ 1.83
Diluted:			
Income (loss) from continuing operations, net of tax	$ 1.49	$ (0.01)	$ 1.54
Discontinued operations, net of tax	$ (0.04)	$ 1.20	$ 0.24
Net income	$ 1.45	$ 1.19	$ 1.79

For fiscal year 2015, options to purchase 217,563 shares of common stock and 3,584,831 stock appreciation rights were excluded from the computation of diluted earnings per share as their effect would have been anti-dilutive.

No potential common shares relating to outstanding stock awards have been included in the computation of diluted earnings per share as a result of the Company's loss from continuing operations for fiscal year 2014. The Company accordingly excluded from the computation of diluted earnings per share 3,373,275 restricted stock awards, options to purchase 1,870,150 shares of common stock and 3,864,131 stock appreciation rights for fiscal year 2014.

For fiscal year 2013, options to purchase 3,664,364 shares of common stock and 4,485,266 stock appreciation rights were excluded from the computation of diluted earnings per share as their effect would have been anti-dilutive.

l. Foreign Currency Transactions

For the Company's foreign subsidiaries that use a currency other than the U.S. dollar as their functional currency, the assets and liabilities are translated at exchange rates in effect at the balance sheet date, and revenues and expenses are translated at the average exchange rate for the period. The effects of these translation adjustments are reported in other comprehensive income. Gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved and remeasurement adjustments for foreign operations where the U.S. dollar is the functional currency are included in operating income.

m. Fair Value of Financial Instruments

The three levels of the fair-value hierarchy include: Level 1 — quoted market prices in active markets for identical assets and liabilities; Level 2 — inputs other than quoted market prices included in Level 1 above that are observable for the asset or liability, either directly or indirectly; and Level 3 — unobservable inputs for the asset or liability.

The carrying amounts of cash and cash equivalents, trade accounts receivable, income taxes receivable, accounts payable, accrued expenses and income taxes payable approximate fair value because of the short-term nature of these financial instruments. Refer to Note 3 — "Trade Accounts Receivable Securitization and Sale Programs", Note 8 — "Notes Payable, Long-Term Debt and Capital Lease Obligations", Note 9 — "Postretirement and Other Employee Benefits" and Note 13 —"Derivative Financial Instruments and Hedging Activities" for disclosure surrounding the fair value of the Company's deferred purchase price receivables, debt obligations, pension plan assets and derivative financial instruments, respectively.

Refer to Note 2 — "Discontinued Operations" for discussion of the Company's Senior Non-Convertible Cumulative Preferred Stock. The Senior Non-Convertible Cumulative Preferred Stock is valued each reporting period using unobservable inputs (Level 3 inputs) based on an interest rate lattice model and is classified as an available for sale security with an unrealized gain (loss) recorded to accumulated other comprehensive income (loss) ("AOCI"). The unobservable inputs have an immaterial impact on the fair value calculation of the Senior Non-Convertible Cumulative Preferred Stock. At August 31, 2015, the fair value was $29.9 million, and is included within other assets on the Consolidated Balance Sheets.

n. Stock-Based Compensation

The Company recognizes stock-based compensation expense, reduced for estimated forfeitures, on a straight-line basis over the requisite service period of the award, which is generally the vesting period for outstanding stock awards. The Company recorded $62.6 million, $9.0 million and $62.6 million of stock-based compensation expense gross of tax effects, which is included in selling, general and administrative expenses within the Consolidated Statements of Operations for fiscal years 2015, 2014 and 2013, respectively. During the fiscal years ended August 31, 2015 and 2014, the Company recorded a $5.2 million and a $45.8 million reversal, respectively, to stock-based compensation expense due to decreased expectations for the vesting of certain restricted stock awards. The Company recorded an additional tax benefit (expense) related to the stock-based compensation expense of $(0.4) million, $1.1 million and $(0.2) million, which is included in income tax expense within the Consolidated Statements of Operations for fiscal years 2015, 2014, and 2013, respectively. Included in the compensation expense recognized by the Company is $4.7 million, $4.7 million and $4.0 million related to the Company's employee stock purchase plan ("ESPP") during fiscal years 2015, 2014 and 2013, respectively. The Company capitalizes stock-based compensation costs related to awards granted to employees whose compensation costs are directly attributable to the cost of inventory. At August 31, 2015 and 2014, $0.4 million and $0.3 million of stock-based compensation costs were classified as inventories on the Consolidated Balance Sheets, respectively.

Cash received from exercises under all share-based payment arrangements, including the Company's ESPP, for fiscal years 2015, 2014 and 2013 was $18.1 million, $15.8 million and $18.3 million, respectively. The proceeds for fiscal years 2015, 2014 and 2013 were offset by $7.6 million, $34.3 million and $20.3 million, respectively, of restricted shares withheld by the Company to satisfy the minimum amount of its income tax withholding requirements. The fair value of the restricted shares withheld was determined on the date that the restricted shares vested and resulted in the withholding of 402,143 shares, 1,569,059 shares and 1,184,162 shares of the Company's common stock during the fiscal years ended August 31, 2015, 2014 and 2013, respectively. The shares have been classified as treasury stock on the Consolidated Balance Sheets. The Company currently expects to satisfy share-based awards with registered shares available to be issued.

See Note 11 — "Stockholders' Equity" for further discussion of stock-based compensation expense.

o. Comprehensive Income

Comprehensive income is the changes in equity of an enterprise except those resulting from stockholder transactions.

The following table sets forth the changes in AOCI, net of tax, by component during the fiscal year ended August 31, 2015 (in thousands):

	Foreign Currency Translation Adjustment	Derivative Instruments	Actuarial Loss	Prior Service Cost	Unrealized Loss on Available for Sale Securities	Total
Balance at August 31, 2014	$ 123,411	$ 4,572	$(40,704)	$1,196	$ (1,513)	$ 86,962
Other comprehensive (loss) income before reclassifications	(116,745)	(29,107)	8,357	5	(14,404)	(151,894)
Amounts reclassified from AOCI	—	12,502	1,723	(147)	—	14,078
Other comprehensive (loss) income	(116,745)	(16,605)	10,080	(142)	(14,404)	(137,816)
Balance at August 31, 2015	$ 6,666	$(12,033)	$(30,624)	$1,054	$(15,917)	$ (50,854)

The unrealized losses on derivative instruments recorded to AOCI during fiscal years 2015 and 2014 are net of tax benefits of $19.3 million and $13.6 million, respectively. The actuarial loss and prior service cost recorded to AOCI at August 31, 2015 are net of a tax benefit (expense) of $2.4 million and $(0.4) million, respectively. The actuarial loss and prior service cost recorded to AOCI at August 31, 2014 are net of a tax benefit (expense) of $8.1 million and $(0.4) million, respectively.

The portions of AOCI reclassified into earnings during the fiscal years ended August 31, 2015, 2014 and 2013 were not material, and were classified as components of net revenue, cost of revenue, selling, general and administrative expense, income from discontinued operation, net of tax, and interest expense.

p. Derivative Instruments

All derivative instruments are recorded gross on the Consolidated Balance Sheets at their respective fair values. The Company does not intend to use derivative financial instruments for speculative purposes. Generally, if a derivative instrument is designated as a cash flow hedge, the change in the fair value of the derivative is recorded in other comprehensive income to the extent the derivative is effective, and recognized in the Consolidated Statement of Operations when the hedged item affects earnings. If a derivative instrument is designated as a fair value hedge, the change in fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings in the current period. Changes in fair value of derivatives that are not designated as hedges are recorded in earnings. Cash receipts and cash payments related to derivative instruments are recorded in the same category as the cash flows from the items being hedged on the Consolidated Statements of Cash Flows. Refer to Note 13 — "Derivative Financial Instruments and Hedging Activities" for further discussion surrounding the Company's derivative instruments.

2. Discontinued Operations

On December 17, 2013, the Company announced that it entered into a stock purchase agreement with iQor Holdings, Inc. ("iQor") for the sale of Jabil's Aftermarket Services ("AMS") business for consideration of $725.0 million, which consists of $675.0 million in cash and an aggregate liquidation preference value of $50.0 million in Senior Non-Convertible Cumulative Preferred Stock of iQor that accretes dividends at an annual rate of 8 percent and is redeemable in nine years or upon a change in control. The purchase price was finalized during fiscal year 2015 and was reduced by $100.2 million for cash, indebtedness, taxes, interest and certain working capital accounts of the Company's AMS business. Also, as part of this transaction, the Company is subject to a limited covenant not to compete. On April 1, 2014, the Company completed the sale of the AMS business except for the Malaysian operations, for which the sale was completed on December 31, 2014. In connection with the AMS transaction, the Company entered into a transition services agreement effective April 1, 2014 to provide certain administrative services to facilitate the orderly transfer of the business operations to iQor. This agreement is not material and the continuing cash flows are not significant. As of August 31, 2015, AMS continues to meet the criteria for discontinued operations reporting because the Company does not have any significant continuing involvement in the operations of AMS after the disposal transaction and the operations and cash flows of AMS have been eliminated from the ongoing operations of the Company as a result of the disposal transaction.

The Company recognized a gain on sale of discontinued operations, net of tax, of approximately $223.3 million for the fiscal year ended August 31, 2014. The Company incurred direct transaction costs in connection with the sale of approximately $16.5 million during the fiscal year ended August 31, 2014, which is included in gain on sale of discontinued operations, net of tax. The income tax expense recognized on the gain on sale of discontinued operations during the fiscal year ended August 31, 2014 was significantly reduced to $7.6 million primarily due to the utilization of net operating loss related deferred tax assets with corresponding valuation allowances. At April 1, 2014, the fair value of the Senior Non-Convertible Cumulative Preferred Stock was approximately $33.2 million, which is included in gain on sale of discontinued operations, net of tax.

For all periods presented, the operating results associated with this business have been reclassified into (loss) income from discontinued operations, net of tax in the Consolidated Statements of Operations. The following table provides a summary of AMS amounts included in discontinued operations (in thousands):

	Fiscal Year Ended August 31,		
	2015	2014	2013
Net revenue	$14,624	$586,652	$1,087,401
(Loss) income from discontinued operations, before tax	$ (7,689)	26,694	58,950
Income tax expense	9	6,140	8,342
(Loss) income from discontinued operations, net of tax	$ (7,698)	$ 20,554	$ 50,608
(Loss) gain on sale of discontinued operations, before tax	$ (300)	$230,878	$ —
Income tax expense	575	7,579	—
(Loss) gain on sale of discontinued operations, net of tax	$ (875)	$223,299	$ —
Discontinued operations, net of tax	$ (8,573)	$243,853	$ 50,608

3. Trade Accounts Receivable Securitization and Sale Programs

The Company regularly sells designated pools of trade accounts receivable under two asset-backed securitization programs and three uncommitted trade accounts receivable sale programs (collectively referred to herein as the "programs"). The Company continues servicing the receivables sold and in exchange receives a servicing fee under each of the programs. Servicing fees related to each of the programs recognized during the fiscal years ended August 31, 2015, 2014 and 2013 were not material. The Company does not record a servicing asset or liability on the Consolidated Balance Sheets as the Company estimates that the fee it receives to service these receivables approximates the fair market compensation to provide the servicing activities.

Transfers of the receivables under the programs are accounted for as sales and, accordingly, net receivables sold under the programs are excluded from accounts receivable on the Consolidated Balance Sheets and are reflected as cash provided by operating activities on the Consolidated Statements of Cash Flows.

a. Asset-Backed Securitization Programs

The Company continuously sells designated pools of trade accounts receivable under its North American asset-backed securitization program, currently scheduled to expire on October 20, 2017 (as the program was renewed on October 21, 2014), and its foreign asset-backed securitization program, currently scheduled to expire on May 1, 2018 (as the program was renewed on May 8, 2015), (collectively referred to herein as the "asset-backed securitization programs") to special purpose entities, which in turn sell 100% of the receivables to conduits administered by unaffiliated financial institutions (for the North American asset-backed securitization program) and to an unaffiliated financial institution and a conduit administered by an unaffiliated financial institution (for the foreign asset-backed securitization program). The special purpose entity in the North American asset-backed securitization program is a wholly-owned subsidiary of the Company. The special purpose entity in the foreign asset-backed securitization program is a separate bankruptcy-remote entity whose assets would be first available to satisfy the creditor claims of the unaffiliated financial institution. The Company is deemed the primary beneficiary of this special purpose entity as the Company has both the power to direct the activities of the entity that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive the benefits that could potentially be significant to the entity from the transfer of the trade accounts receivable into the special purpose entity. Accordingly, the special purpose entities associated with these asset-backed securitization programs are included in the Company's Consolidated Financial Statements. Any portion of the purchase price for the receivables which is not paid in cash upon the sale taking place is recorded as a deferred purchase price receivable, which is paid as payments on the receivables are collected. Net cash proceeds of up to a maximum of $200.0 million and $175.0 million for the North American and foreign asset-backed securitization programs, respectively, are available at any one time. The Company increased its facility limit for the foreign asset-backed securitization program from $75.0 million to $175.0 million during the second quarter of fiscal year 2015.

In connection with the asset-backed securitization programs, the Company sold $7.6 billion, $8.0 billion and $9.0 billion of eligible trade accounts receivable during the fiscal years ended August 31, 2015, 2014 and 2013, respectively. In exchange, the Company received cash proceeds of $7.2 billion, $7.4 billion and $8.5 billion during the fiscal years ended August 31, 2015, 2014 and 2013, respectively (of which approximately $5.9 million, $4.0 million and $54.2 million, respectively, represented new transfers and the remainder represented proceeds from collections reinvested in revolving-period transfers) and a deferred purchase price receivable. At August 31, 2015, 2014 and 2013, the deferred purchase price receivables recorded in connection with the asset-backed securitization programs totaled approximately $429.3 million, $513.0 million and $541.2 million, respectively. The asset-backed securitization programs require compliance with several covenants. The North American asset-backed securitization program covenants include compliance with the interest coverage ratio and debt to EBITDA ratio of the five year unsecured credit facility amended as of July 6, 2015 (the "Credit Facility"). The foreign asset-backed securitization program covenants include limitations on certain corporate actions such as mergers and consolidations.

The Company recognized pretax losses on the sales of receivables under the asset-backed securitization programs of approximately $3.8 million, $3.6 million and $4.3 million during the fiscal years ended August 31, 2015, 2014 and 2013, respectively, which are recorded to other expense within the Consolidated Statements of Operations.

The deferred purchase price receivables recorded under the asset-backed securitization programs are recorded initially at fair value as prepaid expenses and other current assets on the Consolidated Balance Sheets and are valued using unobservable inputs (Level 3 inputs), primarily discounted cash flows, and due to their credit quality and short-term maturity the fair values approximated book values. The unobservable inputs consist of estimated credit losses and estimated discount rates, which both have an immaterial impact on the fair value calculations of the deferred purchase price receivables.

b. Trade Accounts Receivable Sale Programs

In connection with three separate trade accounts receivable sale programs with unaffiliated financial institutions, the Company may elect to sell, at a discount, on an ongoing basis, up to a maximum of $450.0 million, $150.0 million and $100.0 million, respectively, of specific trade accounts receivable at any one time. The $450.0 million trade accounts receivable sale program is an uncommitted facility that was amended during the first quarter of fiscal year 2015 to increase the uncommitted capacity from $350.0 million to $450.0 million and is scheduled to expire on November 1, 2015, although any party may elect to terminate the agreement upon 15 days prior notice. The $450.0 million trade accounts receivable sale program will be automatically extended each year until August 31, 2017, unless any party gives no less than 30 days prior notice that the agreement should not be extended. The $150.0 million trade accounts receivable sale program is an uncommitted facility that is subject to expiration on August 31, 2016 (as the agreement was extended on August 31, 2015). The $100.0 million trade accounts receivable sale program is an uncommitted facility that is scheduled to expire on November 1, 2015, although any party may elect to terminate the agreement upon 15 days prior notice. The $100.0 million trade accounts receivable sale program will be automatically extended each year until November 1, 2018, unless any party gives no less than 30 days prior notice that the agreement should not be extended.

During fiscal years 2015, 2014 and 2013, the Company sold $2.1 billion, $1.9 billion and $2.4 billion of trade accounts receivable under these programs, respectively. In exchange, the Company received cash proceeds of $2.1 billion, $1.9 billion and $2.4 billion, respectively. The resulting losses on the sales of trade accounts receivable during fiscal years 2015, 2014 and 2013 were not material and were recorded to other expense within the Consolidated Statements of Operations.

4. Inventories

Inventories consist of the following (in thousands):

	August 31, 2015	August 31, 2014
Raw materials	$1,300,559	$1,096,299
Work in process	714,237	537,033
Finished goods	492,468	374,745
Total inventories	$2,507,264	$2,008,077

5. Income Taxes

a. Provision for Income Taxes

Income (loss) from continuing operations before income tax expense and noncontrolling interests is summarized below (in thousands):

	Fiscal Year Ended August 31,		
	2015	2014	2013
U.S.	$(295,521)	$(129,764)	$(157,454)
Non-U.S.	727,167	201,887	484,568
	$ 431,646	$ 72,123	$ 327,114

The U.S. and non-U.S. components of income (loss) from continuing operations before income tax expense and noncontrolling interests include the elimination of intercompany foreign dividends paid to the U.S.

Income tax expense (benefit) is summarized below (in thousands):

Fiscal Year Ended August 31,	Current	Deferred	Total
2015: U.S. — Federal	$ 1,169	$ (1,653)	$ (484)
U.S. — State	164	(300)	(136)
Non-U.S.	147,199	(9,118)	138,081
	$148,532	$ (11,071)	$ 137,461
2014: U.S. — Federal	$ 3,047	$ (9,108)	$ (6,061)
U.S. — State	319	(3,606)	(3,287)
Non-U.S.	107,819	(24,760)	83,059
	$111,185	$ (37,474)	$ 73,711
2013: U.S. — Federal	$ 4,762	$(109,304)	$(104,542)
U.S. — State	226	3,044	3,270
Non-U.S.	129,908	(21,005)	108,903
	$134,896	$(127,265)	$ 7,631

Reconciliations of the income tax expense at the U.S. federal statutory income tax rate compared to the actual income tax expense are summarized below (in thousands):

	Fiscal Year Ended August 31,		
	2015	2014	2013
Tax at U.S. federal statutory income tax rate (35%)	$ 151,076	$ 25,243	$ 114,490
State income taxes, net of federal tax benefit	(4,474)	(3,740)	(6,285)
Impact of foreign tax rates	(157,827)	(19,621)	(130,732)
Permanent impact of non-deductible cost	8,951	10,995	12,815
Income tax credits	(12,773)	(5,632)	(7,170)
Changes in tax rates on deferred tax assets and liabilities	(1,206)	(23,432)	7,416
Valuation allowance	72,604	47,697	(45,502)
Non-deductible equity compensation	11,600	31,236	21,477
Impact of intercompany charges and dividends	49,843	9,376	30,360
Other, net	19,667	1,589	10,762
Total income tax expense	$ 137,461	$ 73,711	$ 7,631

For the fiscal year ended August 31, 2015, the impact of intercompany charges and dividends increased due to the intercompany foreign dividend paid to the U.S. which was offset by a decrease in the U.S. valuation allowance. For the fiscal year ended August 31, 2014, the impact of foreign tax rates change was due to the decrease of income in low tax-rate jurisdictions. The changes in tax rates on deferred tax assets and liabilities decreased due to the enactment of the Mexico 2014 tax reform. For the fiscal year ended August 31, 2013, the valuation allowance decrease was from the partial release of the U.S. valuation allowance due to the Nypro acquisition.

The Company has been granted tax incentives for its Brazilian, Chinese, Malaysian, Polish, Singaporean and Vietnamese subsidiaries. The majority of the tax incentive benefits expire through 2020 and are subject to certain conditions with which the Company expects to comply. These subsidiaries generated income from continuing operations during the fiscal years ended August 31, 2015, 2014 and 2013, resulting in a tax benefit of approximately $74.7 million ($0.39 per basic share), $14.6 million ($0.07 per basic share) and $51.5 million ($0.25 per basic share), respectively. The benefits of these incentives are recorded as the impact of foreign tax rates and income tax credits.

For the fiscal year ended August 31, 2014, the Company recorded out-of-period adjustments that increased net income from continuing operations by approximately $17.1 million, which related to fiscal year 2013 income tax benefit adjustments that were recorded in fiscal year 2014. The Company assessed and concluded that these adjustments are not material to either the consolidated quarterly or annual financial statements for all impacted periods.

b. Deferred Tax Assets and Liabilities

The current and noncurrent net deferred tax assets are summarized below (in thousands):

	Fiscal Year Ended August 31,	
	2015	**2014**
Current deferred tax assets	$ 79,045	$ 64,944
Current deferred tax liabilities	(2,455)	(5,094)
Noncurrent deferred tax assets	85,169	92,702
Noncurrent deferred tax liabilities	(82,167)	(61,670)
Total net deferred tax assets	$ 79,592	$ 90,882

The significant components of the deferred tax assets and liabilities are summarized below (in thousands):

	Fiscal Year Ended August 31,	
	2015	**2014**
Deferred tax assets:		
Net operating loss carry forward	$ 261,495	$ 236,169
Receivables	11,343	7,847
Inventories	7,876	10,139
Compensated absences	9,342	8,396
Accrued expenses	75,580	71,007
Property, plant and equipment, principally due to differences in depreciation and amortization	31,888	23,830
U.S. federal and state tax credits	63,927	63,655
Foreign jurisdiction tax credits	13,524	17,715
Equity compensation — U.S.	21,447	23,101
Equity compensation — Non-U.S.	4,507	4,307
Cash flow hedges	3,809	5,294
Other	25,403	11,432
Total deferred tax assets before valuation allowances	530,141	482,892
Less valuation allowances	(304,820)	(261,285)
Net deferred tax assets	$ 225,321	$ 221,607
Deferred tax liabilities:		
Unremitted earnings of non-U.S. subsidiaries	85,765	81,514
Intangible assets	55,208	44,637
Other	4,756	4,574
Total deferred tax liabilities	$ 145,729	$ 130,725
Net deferred tax assets	$ 79,592	$ 90,882

As of August 31, 2015, the Company had federal, state (tax-effected) and foreign income tax net operating loss carry forwards (net of unrecognized tax benefits) of approximately $326.9 million, $40.4 million, and $565.4

million, respectively, which are available to reduce future taxes, if any. The net operating loss carry forwards in the Company's major tax jurisdictions expire in fiscal years 2016 through 2035 or have an indefinite carry forward period. The Company has U.S. federal and state tax credit carry forwards of $59.7 million and $6.5 million, respectively, which are available to reduce future taxes, if any. Of the U.S. federal tax credits, $53.8 million expire through 2024, $2.3 million have an indefinite carry forward period and the years of expiration for the remaining $3.6 million cannot yet be determined. Most of the U.S. state tax credits expire through the year 2027. As of August 31, 2015, the foreign jurisdiction tax credits include foreign investment tax credits of $9.6 million that expire in 2017 and are based on the deferral method.

Based on the Company's historical operating income, projection of future taxable income, scheduled reversal of taxable temporary differences, and tax planning strategies, management believes that it is more likely than not that the Company will realize the benefit of its deferred tax assets, net of valuation allowances recorded. The net increases (decreases) in the total valuation allowance for the fiscal years ended August 31, 2015 and 2014 were $43.5 million and $(19.5) million, respectively. The fiscal year ended August 31, 2015 increase is primarily related to losses in jurisdictions with existing valuation allowances.

As of August 31, 2015, the Company intends to repatriate the Nypro pre-acquisition undistributed foreign earnings of approximately $178.4 million to the U.S. Therefore, the Company continues to record a deferred tax liability of approximately $80.1 million based on the anticipated U.S. income taxes of the repatriation. The Company repatriated $100.0 million of current year foreign earnings to our U.S. operations during fiscal year 2015, which had no income statement impact due to the U.S. current year operating loss and the U.S. valuation allowance. The Company intends to indefinitely reinvest the remaining earnings from its foreign subsidiaries. The accumulated earnings are the most significant component of the basis difference which is indefinitely reinvested. The aggregate undistributed earnings of the Company's foreign subsidiaries for which no deferred tax liability has been recorded is approximately $2.8 billion as of August 31, 2015. Determination of the amount of unrecognized deferred tax liability on these undistributed earnings is not practicable.

c. *Unrecognized Tax Benefits*

Reconciliations of the unrecognized tax benefits are summarized below (in thousands):

	Fiscal Year Ended August 31,		
	2015	2014	2013
Beginning balance	$229,684	$219,132	$113,414
Additions for tax positions of prior years	4,189	16,533	82,965
Reductions for tax positions of prior years	(7,919)	(3,843)	(7,713)
Additions for tax positions related to current year	21,541	18,219	30,886
Adjustments for tax positions related to disposed entities	—	(1,917)	—
Adjustments for tax positions related to acquired entities	1,687	(3,195)	21,000
Cash settlements	(11,806)	(9,406)	(1,096)
Reductions from lapses in statutes of limitations	(1,843)	(1,909)	(784)
Reductions from settlements with taxing authorities	(72,812)	(4,344)	(19,930)
Foreign exchange rate adjustment	(8,073)	414	390
Ending balance	$154,648	$229,684	$219,132
Unrecognized tax benefits that would affect the effective tax rate (if recognized)	$ 80,094	$ 72,586	$ 72,618

For the fiscal year ended August 31, 2015, the reductions from settlements with taxing authorities is primarily related to the closure of a non-U.S. audit which partially disallowed a net operating loss carry forward and future tax amortization.

It is reasonably possible that the August 31, 2015 unrecognized tax benefits could decrease during the next 12 months by $1.3 million from cash payments and by $11.6 million related to the settlement of audits or expiration of applicable statutes of limitations. These amounts primarily relate to possible adjustments for transfer pricing and disallowance of tax amortization.

The Company's continuing practice is to recognize interest and penalties related to unrecognized tax benefits in income tax expense. The Company's accrued interest and penalties were approximately $20.1 million and $18.0 million at August 31, 2015 and 2014, respectively. The Company recognized interest and penalties of approximately $2.1 million, $1.0 million and $8.9 million during the fiscal years ended August 31, 2015, 2014 and 2013, respectively. The Company is no longer subject to U.S. federal income tax examinations for fiscal years before August 31, 2009. In major state and major non-U.S. jurisdictions, the Company is no longer subject to income tax examinations for fiscal years before August 31, 2003 and August 31, 2005, respectively.

The Internal Revenue Service ("IRS") completed its field examination of the Company's tax returns for fiscal years 2009 through 2011 and issued a Revenue Agent's Report on May 27, 2015 proposing adjustments primarily related to U.S. taxation of certain intercompany transactions. If the IRS ultimately prevails in its positions, the Company's income tax payment due for the fiscal years 2009 through 2011 would be approximately $34.6 million after utilization of tax loss carry forwards available through fiscal year 2011. Also, the IRS has proposed interest and penalties with respect to fiscal years 2009 through 2011. The IRS may make similar claims in future audits with respect to these types of transactions. At this time, anticipating the amount of any future IRS proposed adjustments, interest, and penalties is not practicable.

The Company disagrees with the proposed adjustments and intends to vigorously contest these matters through the applicable IRS administrative and judicial procedures, as appropriate. As the final resolution of the proposed adjustments remains uncertain, the Company continues to provide for the uncertain tax positions based on the more likely than not standard. While the resolution of the issues may result in tax liabilities, interest and penalties, which are significantly higher than the amounts provided for these matters, management currently believes that the resolution will not have a material adverse effect on the Company's financial position, results of operations or cash flows. Despite this belief, an unfavorable resolution, particularly if the IRS successfully asserts similar claims for later years, could have a material adverse effect on the Company's results of operations and financial condition.

6. Property, Plant and Equipment

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

	August 31,	
	2015	2014
Land and improvements	$ 112,416	$ 101,754
Buildings	756,314	736,853
Leasehold improvements	630,595	410,212
Machinery and equipment	2,787,641	2,152,828
Furniture, fixtures and office equipment	147,502	124,297
Computer hardware and software	498,348	461,239
Transportation equipment	21,333	20,598
Construction in progress	89,606	187,674
	5,043,755	4,195,455
Less accumulated depreciation and amortization	2,239,422	1,923,750
	$2,804,333	$2,271,705

Depreciation expense of approximately $504.7 million, $461.3 million and $382.6 million was recorded for fiscal years 2015, 2014 and 2013, respectively.

Maintenance and repair expense was approximately $205.5 million, $158.7 million and $153.8 million for fiscal years 2015, 2014 and 2013, respectively.

As of August 31, 2015, the Company had $72.5 million for the acquisition of property, plant and equipment included in accounts payable for which cash payment has not been made and is considered a non-cash investing activity in the Consolidated Statements of Cash Flows.

7. Goodwill and Other Intangible Assets

The Company performs a goodwill impairment analysis using the two-step method on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. If the carrying amount of the reporting unit exceeds its fair value, goodwill is considered impaired and a second step is performed to measure the amount of loss, if any.

The Company completed its annual impairment test for goodwill during the fourth quarter of fiscal year 2015 and determined the fair values of the reporting units were substantially in excess of the carrying values and that no impairment existed as of the date of the impairment test. For each annual impairment test the Company consistently determines the fair value of its reporting units based on an average weighting of both projected discounted future results and the use of comparative market multiples.

The following tables present the changes in goodwill allocated to the Company's reportable segments, Electronics Manufacturing Services ("EMS") and Diversified Manufacturing Services ("DMS"), during the fiscal years ended August 31, 2015 and 2014 (in thousands):

	August 31, 2014				August 31, 2015		
Reportable Segment	Gross Balance	Accumulated Impairment Balance	Acquisitions & Adjustments	Foreign Currency Impact	Gross Balance	Accumulated Impairment Balance	Net Balance
EMS	$ 474,305	$ (464,053)	$18,586	$ (965)	$ 491,926	$ (464,053)	$ 27,873
DMS	929,161	(555,769)	64,262	(3,145)	990,278	(555,769)	434,509
Total	$1,403,466	$(1,019,822)	$82,848	$(4,110)	$1,482,204	$(1,019,822)	$462,382

	August 31, 2013				August 31, 2014		
Reportable Segment	Gross Balance	Accumulated Impairment Balance	Acquisitions & Adjustments	Foreign Currency Impact	Gross Balance	Accumulated Impairment Balance	Net Balance
EMS	$ 474,400	$ (464,053)	$ —	$ (95)	$ 474,305	$ (464,053)	$ 10,252
DMS	894,433	(555,769)	34,696	32	929,161	(555,769)	373,392
Total	$1,368,833	$(1,019,822)	$34,696	$ (63)	$1,403,466	$(1,019,822)	$383,644

Finite-lived intangible assets are amortized on a straight-line basis and consist primarily of contractual agreements and customer relationships, which are being amortized over periods of up to 15 years, intellectual property which is being amortized over periods of up to 8 years and finite-lived trade names which are being amortized over periods up to 10 years. Indefinite-lived intangible assets consist of trade names. The Company completed its annual impairment test for its indefinite-lived intangible assets during the fourth quarter of fiscal year 2015 and determined that no impairment existed as of the date of the impairment test. Significant judgments inherent in this analysis included assumptions regarding appropriate revenue growth rates, discount rates and royalty rates. No significant residual values are estimated for the amortizable intangible assets. The value of the Company's intangible assets purchased through business acquisitions is principally determined based on valuations of the net assets acquired. The following tables present the Company's total purchased intangible assets at August 31, 2015 and 2014 (in thousands):

August 31, 2015	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Contractual agreements and customer relationships	$201,423	$ (96,013)	$105,410
Intellectual property	150,453	(99,295)	51,158
Finite-lived trade name	4,434	(556)	3,878
Indefinite-lived trade name	123,090	—	123,090
Total	$479,400	$(195,864)	$283,536

August 31, 2014	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Contractual agreements and customer relationships	$165,651	$ (83,695)	$ 81,956
Intellectual property	126,805	(87,795)	39,010
Indefinite-lived trade name	123,090	—	123,090
Total	$415,546	$(171,490)	$244,056

The weighted-average amortization period for aggregate net intangible assets at August 31, 2015 is 9.7 years, which includes a weighted-average amortization period of 12.3 years for net contractual agreements and customer relationships, a weighted-average amortization period of 5.1 years for net intellectual property and a weighted-average amortization period of 4.5 years for finite-lived trade names.

Intangible asset amortization for fiscal years 2015, 2014 and 2013 was approximately $24.4 million, $23.9 million and $11.0 million, respectively. The estimated future amortization expense is as follows (in thousands):

Fiscal Year Ending August 31,	Amount
2016	$ 28,350
2017	25,964
2018	23,995
2019	14,772
2020	12,587
Thereafter	54,778
Total	$160,446

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

Notes payable, long-term debt and capital lease obligations outstanding at August 31, 2015 and August 31, 2014 are summarized below (in thousands):

	August 31, 2015	August 31, 2014
7.750% Senior Notes due 2016(a)	$ 310,378	$ 308,659
8.250% Senior Notes due 2018(b)	399,047	398,665
5.625% Senior Notes due 2020(c)	400,000	400,000
4.700% Senior Notes due 2022(d)	500,000	500,000
Borrowings under credit facilities(e)	323	1,685
Borrowings under loans(f)	30,410	38,207
Capital lease obligations(g)	28,156	30,879
Fair value adjustment related to terminated interest rate swaps on the 7.750% Senior Notes(h)	2,077	4,450
Total notes payable, long-term debt and capital lease obligations	1,670,391	1,682,545
Less current installments of notes payable, long-term debt and capital lease obligations	323,833	12,960
Notes payable, long-term debt and capital lease obligations, less current installments	$1,346,558	$1,669,585

The $312.0 million of 7.750% senior unsecured notes, $400.0 million of 8.250% senior unsecured notes, $400.0 million of 5.625% senior unsecured notes and $500.0 million of 4.700% senior unsecured notes outstanding are carried at the principal amount of each note, less any unamortized discount. The estimated fair values of these senior notes were approximately $328.7 million, $450.1 million, $418.8 million and $495.6 million, respectively, at August 31, 2015. The fair value estimates are based upon observable market data (Level 2 criteria).

(a) During the fourth quarter of fiscal year 2009, the Company issued $312.0 million of seven-year, publicly-registered 7.750% notes (the "7.750% Senior Notes") at 96.1% of par, resulting in net proceeds of approximately $300.0 million. The 7.750% Senior Notes mature on July 15, 2016 and pay interest semiannually on January 15 and July 15. Also, 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.

(b) During the second and third quarters of fiscal year 2008, the Company issued $250.0 million and $150.0 million, respectively, of ten-year, unregistered 8.250% notes at 99.965% of par and 97.5% of par, respectively, 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 mature on March 15, 2018 and pay interest semiannually on March 15 and September 15. 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.

(c) During the first quarter of fiscal year 2011, the Company issued $400.0 million of ten-year publicly registered 5.625% notes (the "5.625% Senior Notes") at par. The net proceeds from the offering of $400.0 million were used to fully repay the term portion of the credit facility dated as of July 19, 2007 (the "Old

Credit Facility") and partially repay amounts outstanding under the Company's foreign asset-backed securitization program. The 5.625% Senior Notes mature on December 15, 2020. Interest on the 5.625% Senior Notes is payable semiannually on June 15 and December 15 of each year, beginning on June 15, 2011. The 5.625% Senior Notes are the Company's senior unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations.

(d) During the fourth quarter of fiscal year 2012, the Company issued $500.0 million of ten-year publicly registered 4.700% notes (the "4.700% Senior Notes") at 99.992% of par. The net proceeds from the offering of $500.0 million were used to repay outstanding borrowings under the Credit Facility and for general corporate purposes. The 4.700% Senior Notes mature on September 15, 2022 and pay interest semiannually on March 15 and September 15 of each year, beginning on March 15, 2013. The 4.700% Senior Notes are the Company's senior unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations.

(e) As of August 31, 2015, nine of the Company's foreign subsidiaries have credit facilities that finance their future growth and any corresponding working capital needs. Five of the credit facilities are denominated in U.S. dollars, one is denominated in Brazilian reais, one is denominated in Euros, one is denominated in Russian rubles and one is denominated in Taiwan new dollar. The credit facilities incur interest at fixed and variable rates ranging from 0.8% to 28.0%.

On July 6, 2015, the Company entered into an amended and restated senior unsecured five year credit agreement. The credit agreement provides for the Revolving Credit Facility in the initial amount of $1.5 billion, which may, subject to the lenders' discretion, potentially be increased up to $2.0 billion and a $500.0 million five year delayed draw Term Loan Facility. The Term Loan Facility may be drawn in whole or in part (but on no more than two occasions) until September 30, 2015. Both the Revolving Credit Facility and the Term Loan Facility expire on July 6, 2020, but in the case of the Revolving Credit Facility, subject to two whole or partial one-year extensions, at the lender's discretion. Interest and fees on Revolving Credit Facility and Term Loan Facility advances are based on the Company's non-credit enhanced long-term senior unsecured debt rating as determined by Standard & Poor's Ratings Service, Moody's Investors Service and Fitch Ratings. Interest is charged at a rate equal to (a) for the Revolving Credit Facility, either 0.000% to 0.650% above the base rate or 1.000% to 1.650% above the Eurocurrency rate and (b) for the Term Loan Facility, either 0.125% to 1.000% above the base rate or 1.125% to 2.000% above the Eurocurrency rate, in each case where the base rate represents the greatest of Citibank, N.A.'s base rate, 0.50% above the federal funds rate, and 1.0% above one-month LIBOR, but not less than zero, and the Eurocurrency rate represents adjusted LIBOR or adjusted CDOR, as applicable, for the applicable interest period, but not less than zero, each as more fully described in the Credit Facility 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 ticking fee based on the undrawn term loan commitments until the earlier of September 30, 2015 and the date of the second term loan draw. The Company, along with its subsidiaries, is subject to the following financial covenants: (1) a maximum Debt to EBITDA Ratio (as defined in the Credit Facility agreement) and (2) a minimum ratio of (a) Consolidated EBITDA to (b) interest payable on, and amortization of debt discount in respect of, all Debt (as defined in the Credit Facility agreement) and loss on sale of accounts receivable. 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; limitation upon use of proceeds; 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.

During fiscal year 2015, the Company borrowed $5.7 billion against the Revolving Credit Facility under multiple draws and repaid $5.7 billion under multiple payments. On September 22, 2015, the Company borrowed $500.0 million against the Term Loan Facility.

During the second quarter of fiscal year 2014, a foreign subsidiary of the Company entered into an uncommitted credit facility to finance its growth and any corresponding working capital needs. The credit facility provides for a revolving credit facility in the amount of up to $100.0 million with interest charged at a rate of LIBOR plus 1.7%.

(f) During the third quarter of fiscal year 2012, the Company entered into a master lease agreement with a variable interest entity (the "VIE") whereby it sells to and subsequently leases back from the VIE up to $60.0 million in certain machinery and equipment for a period of up to five years. In connection with this transaction, the Company holds a variable interest in the VIE, which was designed to hold debt obligations payable to third-party creditors. The proceeds from such debt obligations are utilized to finance the purchase of the machinery and equipment that is then leased by the Company. The Company is the primary beneficiary of the VIE as it has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. Therefore, the Company consolidates the financial statements of the VIE and eliminates all intercompany transactions. At August 31, 2015, the VIE had approximately $28.5 million of total assets, of which approximately $28.0 million was comprised of a note receivable due from the Company, and approximately $27.8 million of total liabilities, of which approximately $27.8 million were debt obligations to the third-party creditors (as the VIE has utilized approximately $27.8 million of the $60.0 million debt obligation capacity). The third-party creditors have recourse to the Company's general credit only in the event that the Company defaults on its obligations under the terms of the master lease agreement. In addition, the assets held by the VIE can be used only to settle the obligations of the VIE.

In addition to the loans described above, at August 31, 2015, the Company has borrowings outstanding to fund working capital needs. These additional loans total approximately $2.6 million, of which $1.8 million are denominated in Euros, $0.5 million are denominated in Russian rubles and $0.3 million are denominated in U.S. dollars.

(g) During the fourth quarter of fiscal year 2013, the Company acquired various capital lease obligations in connection with the acquisition of Nypro.

(h) This amount represents the fair value hedge accounting adjustment related to the 7.750% Senior Notes. For further discussion of the Company's fair value hedges, see Note 13 — "Derivative Financial Instruments and Hedging Activities" to the Consolidated Financial Statements.

Under its 7.750%, 8.250%, 5.625% and 4.700% Senior Notes, the Company is subject to covenants such as limitations on its and/or its subsidiaries' ability to: consolidate or merge with, or convey, transfer or lease all or substantially all of the Company's assets to, another person; create certain liens; enter into sale and leaseback transactions; create, incur, issue, assume or guarantee funded debt (which only applies to the Company's "restricted subsidiaries"); and guarantee any of the Company's indebtedness (which only applies to the Company's subsidiaries). The Company is also subject to a covenant requiring our repurchase of the 7.750%, 8.250%, 5.625% or 4.700% Senior Notes upon a "change of control repurchase event."

Debt maturities as of August 31, 2015 for the next five years and thereafter are as follows (in thousands):

Fiscal Year Ending August 31,	Amount
2016	$ 321,756
2017	20,049
2018	400,329
2019	1,367
2020	1,468
Thereafter	923,345
Total(1)	$1,668,314

(1) The above table excludes a $2.1 million fair value adjustment related to the interest rate swap on the 7.750% Senior Notes.

9. Postretirement and Other Employee Benefits

Postretirement Benefits

During the first quarter of fiscal year 2002, the Company established a defined benefit pension plan for all permanent employees of Jabil Circuit UK Limited. This plan was established in accordance with the terms of the business sale agreement with Marconi Communications plc ("Marconi"). The benefit obligations and plan assets from the terminated Marconi plan were transferred to the newly established defined benefit plan (the "UK plan"). The UK plan, which is closed to new participants, provides benefits based on average employee earnings over a three-year service period preceding retirement and length of employee service. The Company's policy is to contribute amounts sufficient to meet minimum funding requirements as set forth in UK employee benefit and tax laws plus such additional amounts as are 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 other operations in Austria, France, Germany, The Netherlands, Poland, and Taiwan, the Company assumed both funded and unfunded retirement benefits to be paid based upon years of service and compensation at retirement (the "other plans"). All permanent employees meeting the minimum service requirement are eligible to participate in the other plans.

The UK plan and other plans are collectively referred to herein as the "plans."

There is no domestic pension or post-retirement benefit plan maintained by the Company.

The Company is required to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in its Consolidated Balance Sheet, and to recognize changes in that funded status in the year in which the changes occur through comprehensive income.

a. Benefit Obligations

The following table provides a reconciliation of the change in the benefit obligations for the plans for fiscal years 2015 and 2014 (in thousands):

	Pension Benefits	
	2015	**2014**
Beginning projected benefit obligation	$182,653	$164,294
Service cost	1,054	1,225
Interest cost	5,554	6,819
Actuarial (gain) loss	(5,252)	9,526
Curtailment gain	(2,542)	(899)
Total benefits paid	(5,238)	(5,597)
Plan participants' contributions	28	56
Amendments	(198)	(97)
Acquisitions	1,769	—
Effect of conversion to U.S. dollars	(16,598)	7,326
Ending projected benefit obligation	$161,230	$182,653

Weighted-average actuarial assumptions used to determine the benefit obligations for the plans for fiscal years 2015 and 2014 were as follows:

	Pension Benefits	
	2015	**2014**
Expected long-term return on plan assets	4.4%	4.6%
Rate of compensation increase	4.3%	4.4%
Discount rate	3.2%	3.3%

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

b. Plan Assets

The Company has adopted an investment policy for a majority of plan assets which was set by plan trustees who have the responsibility for making investment decisions related to the plan assets. The plan trustees oversee the investment allocation, including selecting professional investment managers and setting strategic targets. The investment objectives for the assets are (1) to acquire suitable assets that hold the appropriate liquidity in order to generate income and capital growth that, along with new contributions, will meet the cost of current and future benefits under the plan, (2) to limit the risk of the plan assets from failing to meet the plan liabilities over the long-term and (3) to minimize the long-term costs under the plan by maximizing the return on the plan assets.

Investment policies and strategies governing the assets of the plans are designed to achieve investment objectives with prudent risk parameters. Risk management practices include the use of external investment managers; the maintenance of a portfolio diversified by asset class, investment approach and security holdings; and the maintenance of sufficient liquidity to meet benefit obligations as they come due. Within the equity securities class, the investment policy provides for investments in a broad range of publicly traded securities including both domestic and international stocks. The plans do not hold any of the Company’s stock. Within the debt securities class, the investment policy provides for investments in corporate bonds as well as fixed and variable interest debt instruments. The Company currently expects to achieve the target mix of 35% equity and 65% debt securities in fiscal year 2016.

The fair values of the plan assets held by the Company by asset category for fiscal years 2015 and 2014 are as follows (in thousands):

	Fair Value at August 31, 2015	Asset Allocation	Fair Value Measurements Using Inputs Considered as: Level 1	Level 2	Level 3
Asset Category					
Cash and cash equivalents	$ 4,567	3%	$4,567	$ —	$ —
Equity Securities:					
Global equity securities(a)	24,143	18%	—	24,143	—
U.K equity securities(b)	24,211	18%	—	24,211	—
Debt Securities:					
U.K. corporate bonds(c)	50,817	38%	—	50,817	—
U.K. government bonds(d)	16,866	12%	—	16,866	—
Other Investments:					
Insurance contracts(e)	14,204	11%	—	—	14,204
Fair value of plan assets	$134,808	100%	$4,567	$116,037	$14,204

	Fair Value at August 31, 2014	Asset Allocation	Fair Value Measurements Using Inputs Considered as: Level 1	Level 2	Level 3
Asset Category					
Cash and cash equivalents	$ 4,642	3%	$4,642	$ —	$ —
Equity Securities:					
Global equity securities(a)	23,726	18%	—	23,726	—
U.K. equity securities(b)	22,759	17%	—	22,759	—
Debt Securities:					
U.K. corporate bonds(c)	54,595	40%	—	54,595	—
U.K. government bonds(d)	18,270	13%	—	18,270	—
Other Investments:					
Insurance contracts(e)	12,459	9%	—	—	12,459
Fair value of plan assets	$136,451	100%	$4,642	$119,350	$12,459

(a) Global equity securities are categorized as Level 2 and include investments that aim to capture global equity market returns by tracking the Financial Times (London) Stock Exchange ("FTSE") AW-World (ex-UK) Index and other similar indexes in Germany.

(b) U.K. equity securities are categorized as Level 2 and include investments in a diversified portfolio that aims to capture the returns of the U.K. equity market. The portfolio tracks the FTSE All-Share Index and invests only in U.K. securities.

(c) U.K. corporate bonds are categorized as Level 2 and include U.K. corporate issued fixed income investments which are managed and tracked to the respective benchmark (AAA-AA-A Bonds-Over 15Y Index).

(d) U.K. government bonds are categorized as Level 2 and include U.K. government-issued fixed income investments which are managed and tracked to the respective benchmark (FTSE U.K. Over 15 Years Gilts Index and FTSE U.K. Over 5 Years Index-Linked).

(e) The assets related to The Netherlands plan consist of an insurance contract that guarantees the payment of the funded pension entitlements, as well as provides a profit share to the Company. The profit share in this contract is not based on actual investments, but, instead on a notional investment portfolio that is expected to return a pre-defined rate. Insurance contract assets are recorded at fair value, which is determined based on the cash surrender value of the insured benefits which is the present value of the guaranteed funded benefits. Insurance contracts are valued using unobservable inputs (Level 3 inputs), primarily by discounting expected future cash flows relating to benefits paid from a notional investment portfolio in order to determine the cash surrender value of the policy. The unobservable inputs consist of estimated future benefits to be paid throughout the duration of the policy and estimated discount rates, which both have an immaterial impact on the fair value estimate of the contract.

The following table provides a reconciliation of the changes in the pension plan assets for the year between measurement dates for fiscal years 2015 and 2014 (in thousands):

	Pension Benefits	
	2015	2014
Beginning fair value of plan assets	$136,451	$117,478
Actual return on plan assets	9,810	14,327
Acquisitions	1,756	—
Employer contributions	3,499	4,008
Benefits paid from plan assets	(5,037)	(4,421)
Plan participants' contributions	28	56
Effect of conversion to U.S. dollars	(11,699)	5,003
Ending fair value of plan assets	$134,808	$136,451

c. Funded Status

The following table provides a reconciliation of the funded status of the plans to the Consolidated Balance Sheets for fiscal years 2015 and 2014 (in thousands):

	Pension Benefits	
	2015	2014
Funded Status		
Ending fair value of plan assets	$ 134,808	$ 136,451
Ending projected benefit obligation	(161,230)	(182,653)
Under or unfunded status	$ (26,422)	$ (46,202)
Consolidated Balance Sheet Information		
Accrued benefit liability, current	$ (140)	$ (146)
Accrued benefit liability, noncurrent	(26,282)	(46,056)
Net liability recorded at August 31	$ (26,422)	$ (46,202)
Amounts recognized in accumulated other comprehensive loss consist of:		
Net actuarial loss	$ 32,986	$ 48,858
Prior service cost	(1,405)	(1,594)
Accumulated other comprehensive loss, before taxes	$ 31,581	$ 47,264

The following table provides the estimated amount that will be amortized from accumulated other comprehensive loss into net periodic benefit cost in fiscal year 2016 (in thousands):

	Pension Benefits
Recognized net actuarial loss	$1,075
Amortization of prior service cost	(141)
Total	$ 934

The accumulated benefit obligation for the plans was $152.8 million and $171.9 million at August 31, 2015 and 2014, respectively.

The following table provides information for the plans with an accumulated benefit obligation in excess of plan assets for fiscal years 2015 and 2014 (in thousands):

	August 31,	
	2015	2014
Projected benefit obligation	$161,230	$182,653
Accumulated benefit obligation	$152,818	$171,865
Fair value of plan assets	$134,808	$136,451

d. Net Periodic Benefit Cost

The following table provides information about net periodic benefit cost for the plans for fiscal years 2015, 2014 and 2013 (in thousands):

	Pension Benefits		
	2015	2014	2013
Service cost	$ 1,054	$ 1,225	$ 1,596
Interest cost	5,554	6,819	5,977
Expected long-term return on plan assets	(5,778)	(6,167)	(5,308)
Recognized actuarial loss	1,723	2,817	2,474
Net curtailment gain	(2,542)	(107)	(3,401)
Amortization of prior service cost	(147)	(198)	(184)
Net periodic benefit cost	$ (136)	$ 4,389	$ 1,154

Weighted-average actuarial assumptions used to determine net periodic benefit cost for the plans for fiscal years 2015, 2014 and 2013 were as follows:

	Pension Benefits		
	2015	2014	2013
Expected long-term return on plan assets	4.4%	5.1%	4.9%
Rate of compensation increase	3.2%	4.0%	4.5%
Discount rate	1.8%	3.0%	4.0%

The expected return on plan assets assumption used in calculating net periodic pension cost is based on historical actual return experience and estimates of 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 $3.4 million and $3.8 million to its funded pension plans during fiscal year 2016. The Company does not anticipate the return of any plan assets during fiscal year 2016.

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

Fiscal Year Ending August 31,	Amount
2016	$ 5,215
2017	5,632
2018	5,548
2019	6,490
2020	7,059
Years 2021 through 2025	38,987

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

The Company provides retirement benefits to its domestic employees who have completed a 90-day period of service through a 401(k) plan that provides a matching contribution by the Company. Company contributions are at the discretion of the Company's Board of Directors. The Company also has defined contribution benefit plans for certain of its international employees primarily dictated by the custom of the regions in which it operates. In relation to these plans, the Company contributed approximately $36.8 million, $34.8 million and $26.7 million for the fiscal years ended August 31, 2015, 2014 and 2013, respectively.

10. Commitments and Contingencies

a. Lease Agreements

The Company leases certain facilities under non-cancelable operating leases. Lease agreements may contain lease escalation clauses and purchase or renewal options. The Company recognizes scheduled lease escalation clauses over the course of the applicable lease term on a straight-line basis in the Consolidated Statements of Operations. The future minimum lease payments under non-cancelable operating leases at August 31, 2015 are as follows (in thousands):

Fiscal Year Ending August 31,	Amount
2016	$ 99,226
2017	81,949
2018	60,257
2019	51,553
2020	44,624
Thereafter	135,577
Total minimum lease payments	$473,186

Total operating lease expense was approximately $105.3 million, $96.5 million and $66.3 million for fiscal years 2015, 2014 and 2013, respectively.

b. Legal Proceedings

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

11. Stockholders' Equity

The 2011 Stock Award and Incentive Plan (the "2011 Plan") was adopted by the Board of Directors during the first quarter of fiscal year 2011 and approved by the stockholders during the second quarter of fiscal year 2011. The 2011 Plan provides for the granting of restricted stock awards, restricted stock unit awards and other stock-based awards. The maximum aggregate number of shares that may be subject to awards under the 2011 Plan is 18,350,000. If any portion of an outstanding award that was granted under the 2002 Stock Incentive Plan (the "2002 Plan"), which was terminated immediately upon the effectiveness of the 2011 Plan, for any reason expires or is canceled or forfeited on or after the date of termination of the 2002 Plan, the shares allocable to the expired, canceled or forfeited portion of such 2002 Plan award shall be available for issuance under the 2011 Plan.

The 2011 Employee Stock Purchase Plan (the "2011 ESPP") was adopted by the Company's Board of Directors during the first quarter of fiscal year 2011 and approved by the shareholders during the second quarter of fiscal year 2011 with 6,000,000 shares authorized for issuance. The offering period beginning July 1, 2011 was the first offering period shares were issued under the 2011 ESPP. The Company also adopted a tax advantaged sub-plan under the 2011 ESPP for its Indian employees. Shares are issued under the Indian sub-plan from the authorized shares under the 2011 ESPP. The offering period ending June 30, 2011 was the final offering period shares were issued under the previous ESPP (the "2002 ESPP").

a. Stock Options and Stock Appreciation Rights

There were no stock options granted and 0.4 million stock appreciation rights granted (collectively known as "Options"), excluding those granted under the ESPP, during fiscal year 2015. There were no Options granted, excluding those granted under the ESPP, during fiscal years 2014 and 2013. The total intrinsic value of Options exercised during fiscal years 2015, 2014 and 2013 was $1.0 million, $0.1 million and $1.2 million, respectively. As of August 31, 2015, there was no unrecognized compensation cost related to non-vested options. The total fair value of Options vested during fiscal years 2015, 2014 and 2013 was $2.8 million, $0.0 million and $0.1 million, respectively.

The following table summarizes Options activity from August 31, 2014 through August 31, 2015:

	Shares Available for Grant	Options Outstanding	Average Intrinsic Value (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (years)
Balance at August 31, 2014	10,823,646	5,432,002	$ 400	$26.32	1.52
Options granted	(435,000)	435,000		$18.49	
Options canceled	1,825,014	(1,825,014)		$24.83	
Restricted stock awards granted(a)	(3,837,588)	—			
Options exercised	—	(281,117)		$20.18	
Balance at August 31, 2015	8,376,072	3,760,871	$492,060	$26.60	1.53
Exercisable at August 31, 2015		3,760,871	$492,060	$26.60	1.53

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

b. Restricted Stock Awards

Certain key employees have been granted time-based and performance-based restricted stock awards. The time-based restricted awards granted generally vest on a graded vesting schedule over three years. The performance-based restricted awards generally vest on a cliff vesting schedule over three to five years and provide a range of vesting possibilities of up to a maximum of 100% or 150%, depending on the specified performance condition and the level of achievement obtained. During the fiscal year ended August 31, 2015, the Company awarded approximately 2.8 million time-based restricted stock units and 1.7 million performance-based restricted stock units.

The stock-based compensation expense for these restricted stock awards (including restricted stock and restricted stock units) is measured at fair value on the date of grant based on the number of shares expected to vest and the quoted market price of the Company's common stock. For restricted stock awards with performance conditions, stock-based compensation expense is originally based on the number of shares that would vest if the Company achieved 100% of the performance goal, which was the probable outcome at the grant date. Throughout the requisite service period, management monitors the probability of achievement of the performance condition. If it becomes probable, based on the Company's performance, that more or less than the current estimate of the awarded shares will vest, an adjustment to stock-based compensation expense will be recognized as a change in accounting estimate in the period the probability changes.

During fiscal years 2015 and 2014, the Company recorded a $5.2 million and a $45.8 million reversal, respectively, to stock-based compensation expense due to decreased expectations for the vesting of certain restricted stock awards.

In connection with the sale of the AMS business, the vesting for certain outstanding time-based restricted stock awards previously granted to AMS employees was accelerated. As a result, 0.2 million awards were vested during the third quarter of fiscal year 2014, which accelerated approximately $2.4 million of stock-based compensation expense. Such expense is included in income from discontinued operations, net of tax, within the Consolidated Statement of Operations for the fiscal year ended August 31, 2014.

At August 31, 2015, there was $57.4 million of total unrecognized stock-based compensation expense related to restricted stock awards granted under the 2011 Plan. This expense is expected to be recognized over a weighted-average period of 1.5 years.

The following table summarizes restricted stock activity from August 31, 2014 through August 31, 2015:

	Shares	Weighted-Average Grant-Date Fair Value
Unvested balance at August 31, 2014	9,800,942	$19.89
Changes during the period		
Shares granted(a)	5,308,937	$18.64
Shares vested	(1,706,944)	$19.57
Shares forfeited	(1,471,350)	$19.42
Unvested balance at August 31, 2015	11,931,585	$19.44

(a) For those shares granted that are based on the achievement of certain performance criteria, represents the maximum number of shares that can vest.

c. Employee Stock Purchase Plan

Employees are eligible to participate in the ESPP after 90 days of employment with the Company. The ESPP permits eligible employees to purchase common stock through payroll deductions, which may not exceed 10% of an employee's compensation, as defined in the ESPP, at a price equal to 85% of the fair value of the common stock at the beginning or end of the offering period, whichever is lower. The ESPP is intended to qualify under Section 423 of the Internal Revenue Code. There were 1,005,916, 1,077,071 and 902,691 shares purchased under the ESPP during fiscal years 2015, 2014 and 2013, respectively. At August 31, 2015, a total of 10,356,908 shares had been issued under the ESPP.

The fair value of shares issued under the ESPP was estimated on the commencement date of each offering period using the Black-Scholes option pricing model. The following weighted-average assumptions were used in the model for each respective period:

	Fiscal Year Ended August 31,		
	2015	2014	2013
Expected dividend yield	0.8%	0.9%	0.8%
Risk-free interest rate	0.1%	0.1%	0.1%
Expected volatility	24.5%	33.8%	34.7%
Expected life	0.5 years	0.5 years	0.5 years

d. Dividends

The following table sets forth certain information relating to the Company's cash dividends declared to common stockholders of the Company during fiscal years 2015 and 2014:

	Dividend Declaration Date	Dividend per Share	Total of Cash Dividends Declared	Date of Record for Dividend Payment	Dividend Cash Payment Date
	(in thousands, except for per share data)				
Fiscal year 2015:	October 16, 2014	$0.08	$15,973	November 14, 2014	December 1, 2014
	January 21, 2015	$0.08	$16,020	February 13, 2015	March 2, 2015
	April 15, 2015	$0.08	$15,988	May 15, 2015	June 1, 2015
	July 16, 2015	$0.08	$15,980	August 14, 2015	September 1, 2015
Fiscal year 2014:	October 17, 2013	$0.08	$17,221	November 15, 2013	December 2, 2013
	January 22, 2014	$0.08	$16,976	February 14, 2014	March 3, 2014
	April 17, 2014	$0.08	$16,686	May 15, 2014	June 2, 2014
	July 23, 2014	$0.08	$16,289	August 15, 2014	September 2, 2014

12. 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 cash equivalents and trade receivables. The Company maintains cash and cash equivalents with various domestic and foreign financial institutions. Deposits held with the financial institutions may exceed the amount of insurance provided on such deposits, but may generally be redeemed upon demand. The Company performs periodic evaluations of the relative credit standing of the financial institutions and attempts to limit exposure with any one institution. With respect to trade receivables, the Company performs ongoing credit evaluations of its customers and generally does not require collateral. The Company maintains an allowance for potential credit losses on trade receivables.

Sales of the Company's products are concentrated among specific customers. For fiscal year 2015, the Company's five largest customers accounted for approximately 50% of its net revenue and 81 customers accounted for approximately 90% of its net revenue. As the Company is a provider of electronic manufacturing services and solutions and products are built based on customer specifications, it is impracticable to provide revenues from external customers for each product and service. Sales to the following customers who accounted for 10% or more of the Company's net revenues, expressed as a percentage of consolidated net revenue, and the percentage of accounts receivable for each customer, were as follows:

	Percentage of Net Revenue Fiscal Year Ended August 31,			Percentage of Accounts Receivable Fiscal Year Ended August 31,	
	2015	2014	2013	2015	2014
Apple, Inc.	24%	18%	20%	19%	12%
BlackBerry Limited	*	*	12%	*	*

* Amount was less than 10% of total.

Sales to the above customers were reported in the EMS and DMS operating segments.

The Company procures components from a broad group of suppliers. Almost all of the products manufactured by the Company require one or more components that are available from only a single source.

b. Segment Data

Operating segments are defined as components of an enterprise that engage in business activities from which they may earn revenues and incur expenses; for which separate financial information is available; and whose operating results are regularly reviewed by the chief operating decision maker to assess the performance of the individual segment and make decisions about resources to be allocated to the segment.

The Company derives its revenue from providing comprehensive electronics design, production and product management services. The chief operating decision maker evaluates performance and allocates resources on a segment basis. Prior to the first quarter of fiscal year 2015, the Company's operating segments consisted of three segments — DMS, Enterprise & Infrastructure and High Velocity Systems. On September 1, 2014, the Company changed its reporting structure to align with the chief operating decision maker's management of resource allocation and performance assessment. Accordingly, the Company's operating segments now consist of two segments — EMS and DMS, which are also the Company's reportable segments. All prior period disclosures presented have been restated to reflect this change.

The EMS segment is focused around leveraging IT, supply chain design and engineering, technologies largely centered on core electronics, sharing of the Company's large scale manufacturing infrastructure and the ability to serve a broad range of end markets. The EMS segment includes customers primarily in the automotive, digital home, industrial and energy, networking and telecommunications, point of sale, printing and storage industries. The DMS segment is focused on providing engineering solutions and a focus on material sciences and technologies. The DMS segment includes customers primarily in the consumer lifestyles and wearable technologies, defense and aerospace, emerging growth, healthcare, mobility and packaging industries.

On April 1, 2014, the Company completed the sale of the AMS business except for the Malaysian operations, for which the sale was completed on December 31, 2014. The AMS business was included in the DMS segment, and the results of operations of this business are classified as discontinued operations for all periods presented. See Note 2 — "Discontinued Operations" for further details.

Net revenue for the operating segments is attributed to the segment in which the service is performed. An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net revenue less cost of revenue, segment selling, general and administrative expenses, segment research and development expenses and an allocation of corporate manufacturing expenses and selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation expense and related charges, restructuring and related charges, distressed customer charges, acquisition costs and certain purchase accounting adjustments, loss on disposal of subsidiaries, settlement of receivables and related charges, impairment of notes receivable and related charges, goodwill impairment charges, income (loss) from discontinued operations, gain (loss) on sale of discontinued operations, other expense, interest income, interest expense, income tax expense or adjustment for net income (loss) attributable to noncontrolling interests. Total segment assets are defined as accounts receivable, inventories, net customer-related property, plant and equipment, intangible assets net of accumulated amortization and goodwill. All other non-segment assets are reviewed on a global basis by management. Transactions between operating segments are generally recorded at amounts that approximate those at which we would transact with third parties.

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

	Fiscal Year Ended August 31,		
	2015	2014	2013
Net revenue			
EMS	$10,777,810	$10,638,588	$12,023,685
DMS	7,121,386	5,123,558	5,225,808
	$17,899,196	$15,762,146	$17,249,493

	Fiscal Year Ended August 31,		
	2015	2014	2013
Segment income and reconciliation of income before tax			
EMS	$ 297,097	$ 242,181	$ 304,043
DMS	372,912	103,188	338,051
Total segment income	$ 670,009	$ 345,369	$ 642,094
Reconciling items:			
Amortization of intangibles	(24,449)	(23,857)	(10,954)
Stock-based compensation expense and related charges	(62,563)	(8,994)	(62,574)
Restructuring and related charges	(33,066)	(85,369)	(80,513)
Distressed customer charges	—	(15,113)	—
Loss on disposal of subsidiaries	—	(7,962)	—
Impairment of notes receivable and related charges	—	—	(25,597)
Acquisition costs and certain purchase accounting adjustments	5,480	—	(10,037)
Other expense	(5,627)	(7,637)	(6,095)
Interest income	9,953	3,741	1,813
Interest expense	(128,091)	(128,055)	(121,023)
Income from continuing operations before tax	$ 431,646	$ 72,123	$ 327,114

	August 31, 2015	August 31, 2014
Total assets		
EMS	$2,865,172	$2,300,262
DMS	4,241,699	3,460,769
Other non-allocated assets	2,496,336	2,699,046
Assets of discontinued operations	—	19,669
	$9,603,207	$8,479,746

The Company operates in 27 countries worldwide. Sales to unaffiliated customers are based on the Company's location that maintains the customer relationship and transacts the external sale. The following tables set forth external net revenue, net of intercompany eliminations, and long-lived asset information where individual countries represent a material portion of the total (in thousands):

	Fiscal Year Ended August 31,		
	2015	2014	2013
External net revenue:			
Singapore	$ 5,053,864	$ 2,935,212	$ 3,296,705
China	3,941,714	3,614,174	3,263,400
Mexico	2,555,502	2,475,393	3,686,540
U.S.	2,142,691	2,444,305	2,281,907
Malaysia	1,247,897	1,299,543	1,207,010
Hungary	912,669	902,058	1,145,433
Brazil	372,574	308,515	539,349
Other	1,672,285	1,782,946	1,829,149
	$17,899,196	$15,762,146	$17,249,493

	August, 31	
	2015	2014
Long-lived assets:		
China	$1,676,630	$1,210,113
U.S.	946,238	922,286
Mexico	173,188	143,790
Taiwan	135,316	137,237
Hungary	95,084	58,824
Spain	74,354	—
Malaysia	68,467	73,129
Singapore	62,468	59,335
Poland	52,129	70,739
Other	266,377	223,952
	$3,550,251	$2,899,405

Total foreign source revenue was approximately $15.8 billion, $13.3 billion and $15.0 billion for fiscal years 2015, 2014 and 2013, respectively. Total long-lived assets related to the Company's foreign operations were approximately $2.6 billion and $2.0 billion at August 31, 2015 and 2014, respectively.

13. Derivative Financial Instruments and Hedging Activities

The Company is directly and indirectly affected by changes in certain market conditions. These changes in market conditions may adversely impact the Company's financial performance and are referred to as market risks. The Company, where deemed appropriate, uses derivatives as risk management tools to mitigate the potential impact of certain market risks. The primary market risks managed by the Company through the use of derivative instruments are foreign currency fluctuation risk and interest rate risk.

All derivative instruments are recorded gross on the Consolidated Balance Sheets at their respective fair values. The accounting for changes in the fair value of a derivative instrument depends on the intended use and designation of the derivative instrument. For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative and the offsetting gain or loss on the hedged item attributable to the hedged risk are recognized in current earnings. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative instrument is initially reported as a component of AOCI, net of tax, and is subsequently reclassified into the line item within the Consolidated Statements of Operations in which the hedged items are recorded in the same period in which the hedged item affects earnings. The ineffective portion of the gain or loss is recognized immediately in current earnings. For derivative instruments that are not designated as hedging instruments, gains and losses from changes in fair values are recognized in earnings. Cash receipts and cash payments related to derivative instruments are recorded in the same category as the cash flows from the items being hedged on the Consolidated Statements of Cash Flows.

For derivatives accounted for as hedging instruments, the Company formally designates and documents, at inception, the financial instruments as a hedge of a specific underlying exposure, the risk management objective and the strategy for undertaking the hedge transaction. In addition, the Company formally performs an assessment, both at inception and at least quarterly thereafter, to determine whether the financial instruments used in hedging transactions are effective at offsetting changes in the cash flows on the related underlying exposures.

a. Foreign Currency Risk Management

Forward contracts are put in place to manage the foreign currency risk associated with anticipated foreign currency denominated revenues and expenses. A hedging relationship existed with an aggregate notional amount outstanding of $615.1 million and $626.9 million at August 31, 2015 and 2014, respectively. The related forward foreign exchange contracts have been designated as hedging instruments and are accounted for as cash flow hedges. The forward foreign exchange contract transactions will effectively lock in the value of anticipated foreign currency denominated revenues and expenses against foreign currency fluctuations. The anticipated foreign currency denominated revenues and expenses being hedged are expected to occur between September 1, 2015 and May 31, 2016.

In addition to derivatives that are designated as hedging instruments and qualify for hedge accounting, the Company also enters into forward contracts to economically hedge transactional exposure associated with commitments arising from trade accounts receivable, trade accounts payable, fixed purchase obligations and intercompany transactions denominated in a currency other than the functional currency of the respective operating entity. The aggregate notional amount of these outstanding contracts at August 31, 2015 and 2014 was $1.8 billion and $1.2 billion, respectively.

The following table presents the Company's assets and liabilities related to forward foreign exchange contracts measured at fair value on a recurring basis as of August 31, 2015, aggregated by the level in the fair-value hierarchy in which those measurements are classified (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
Forward foreign exchange contracts	$—	5,792	—	$ 5,792
Liabilities:				
Forward foreign exchange contracts	—	(46,038)	—	(46,038)
Total	$—	(40,246)	—	$(40,246)

The Company's forward foreign exchange contracts are measured on a recurring basis at fair value, based on foreign currency spot rates and forward rates quoted by banks or foreign currency dealers.

The following table presents the fair values of the Company's derivative instruments located on the Consolidated Balance Sheets utilized for foreign currency risk management purposes at August 31, 2015 and 2014 (in thousands):

	Fair Values of Derivative Instruments					
	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	Fair Value at August 31, 2015	Fair Value at August 31, 2014	Balance Sheet Location	Fair Value at August 31, 2015	Fair Value at August 31, 2014
Derivatives designated as hedging instruments:						
Forward foreign exchange contracts	Prepaid expenses and other current assets	$ 267	$6,089	Other accrued expenses and deferred income	$16,509	$1,460
Derivatives not designated as hedging instruments:						
Forward foreign exchange contracts	Prepaid expenses and other current assets	$5,525	$7,995	Other accrued expenses and deferred income	$29,529	$2,186

As of August 31, 2015 and 2014, the Company also included gains and losses in AOCI related to changes in fair value of its derivatives utilized for foreign currency risk management purposes and designated as hedging instruments. These gains and losses were not material and the portion that is expected to be reclassified into earnings during the next 12 months will be classified as components of net revenue, cost of revenue and selling, general and administrative expense. The gains and losses recognized in earnings due to hedge ineffectiveness and the amount excluded from effectiveness testing were not material for all periods presented and are included as components of net revenue, cost of revenue, selling, general and administrative expense and income from discontinued operations, net of tax.

The Company recognized gains and losses in earnings related to changes in fair value of derivatives utilized for foreign currency risk management purposes and not designated as hedging instruments during fiscal years 2015, 2014 and 2013. These amounts were not material and were recognized as components of cost of revenue.

b. Interest Rate Risk Management

The Company periodically enters into interest rate swaps to manage interest rate risk associated with the Company's borrowings.

Fair Value Hedges

During the second quarter of fiscal year 2011, the Company entered into a series of interest rate swaps with an aggregate notional amount of $200.0 million designated as fair value hedges of a portion of the Company's 7.750% Senior Notes. Under these interest rate swaps, the Company received fixed rate interest payments and paid interest at a variable rate based on LIBOR plus a spread. The effect of these swaps was to convert fixed rate interest expense on a portion of the 7.750% Senior Notes to floating rate interest expense. Gains and losses related to changes in the fair value of the interest rate swaps were recorded to interest expense and offset changes in the fair value of the hedged portion of the underlying 7.750% Senior Notes.

During the fourth quarter of fiscal year 2011, the Company terminated the interest rate swaps entered into in connection with the 7.750% Senior Notes with a fair value of $12.2 million, including accrued interest of $0.6 million at August 31, 2011. The portion of the fair value that is not accrued interest is recorded as a hedge accounting adjustment to the carrying amount of the 7.750% Senior Notes and is being amortized as a reduction to interest expense over the remaining term of the 7.750% Senior Notes. The Company recorded $2.4 million in amortization as a reduction to interest expense during the fiscal year ended August 31, 2015. At August 31, 2015 and 2014, the unamortized hedge accounting adjustment recorded is $2.1 million and $4.5 million, respectively, in the Consolidated Balance Sheets.

Cash Flow Hedges

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, which was the issuance of the 8.250% Senior Notes. The swaps were accounted for as a cash flow hedge and had a notional amount of $400.0 million. Concurrently with the pricing of the 8.250% Senior Notes, the Company settled the swaps by its payment of $43.1 million. The ineffective portion of the swaps was immediately recorded to interest expense within the Consolidated Statements of Operations. The effective portion of the swaps is recorded on the Company’s Consolidated Balance Sheets as a component of AOCI and is being amortized to interest expense within the Company’s Consolidated Statements of Operations over the life of the 8.250% Senior Notes, which is through March 15, 2018. The effective portions of the swaps amortized to interest expense during the fiscal years ended August 31, 2015, 2014 and 2013 were not material. Existing losses related to interest rate risk management hedging arrangements that are expected to be reclassified into earnings during the next 12 months are not material.

14. Restructuring and Related Charges

a. 2014 Restructuring Plan

In conjunction with the restructuring plan that was approved by the Company’s Board of Directors in fiscal year 2014 (the “2014 Restructuring Plan”), the Company charged $49.9 million of restructuring and related charges to the Consolidated Statement of Operations during the fiscal year ended August 31, 2014. The 2014 Restructuring Plan was intended to address the termination of the Company’s business relationship with BlackBerry Limited. The restructuring and related charges during the fiscal year ended August 31, 2014 include cash costs of $16.2 million related to employee severance and benefit costs, $1.7 million related to lease costs and $1.7 million of other related costs, as well as non-cash costs of $30.3 million related to asset write-off costs. These restructuring and related charges associated with the 2014 Restructuring Plan were assigned fully to the EMS reportable segment. The Company completed the restructuring activities under this plan during the fourth quarter of fiscal year 2014 and does not expect to incur any additional costs under the 2014 Restructuring Plan. See Note 12 — “Concentration of Risk and Segment Data” for further details on the change in reportable segments.

The table below sets forth the significant components and activity in the 2014 Restructuring Plan during the fiscal year ended August 31, 2014 (in thousands):

2014 Restructuring Plan — Fiscal Year Ended August 31, 2014

	Liability Balance at August 31, 2013	Restructuring Related Charges	Asset Write-off Charge and Other Non-Cash Activity	Cash Payments	Liability Balance at August 31, 2014
Employee severance and benefit costs	$—	$16,213	$ 13	$(15,765)	$461
Lease costs	—	1,738	(116)	(1,622)	—
Asset write-off costs	—	30,314	(30,314)	—	—
Other related costs	—	1,680	—	(1,674)	6
Total	$—	$49,945	$(30,417)	$(19,061)	$467

b. 2013 Restructuring Plan

In conjunction with the restructuring plan that was approved by the Company's Board of Directors in fiscal year 2013 (the "2013 Restructuring Plan"), the Company charged $34.6 million and $35.4 million of restructuring and related charges to the Consolidated Statement of Operations during the fiscal years ended August 31, 2015 and 2014, respectively. The 2013 Restructuring Plan is intended to better align the Company's manufacturing capacity in certain geographies and to reduce the Company's worldwide workforce in order to reduce operating expenses. These restructuring activities are intended to address current market conditions and customer requirements. The restructuring and related charges for the fiscal years ended August 31, 2015 and 2014 include cash costs of $24.3 million and $25.0 million related to employee severance and benefit costs, respectively, $2.8 million and $0.5 million related to lease costs, respectively, and $1.9 million and $1.3 million of other related costs, respectively, as well as non-cash costs of $5.6 million and $8.6 million related to asset write-off costs, respectively.

The Company currently expects to recognize approximately $179.0 million, excluding the restructuring and related charges previously incurred for the AMS discontinued operations, in pre-tax restructuring and other related costs primarily over the course of the Company's fiscal years 2013, 2014, 2015 and 2016 under the 2013 Restructuring Plan. Since the inception of the 2013 Restructuring Plan, a total of $150.5 million of restructuring and related costs have been recognized as of August 31, 2015. Of the $150.5 million recognized to date, $113.5 million was allocated to the EMS segment, $28.0 million was allocated to the DMS segment and $9.0 million was not allocated to a segment. A majority of the total restructuring costs are expected to be related to employee severance and benefit arrangements. The charges related to the 2013 Restructuring Plan, excluding asset write-off costs, are currently expected to result in cash expenditures of approximately $157.4 million that have been or will be payable over the course of the Company's fiscal years 2013, 2014, 2015, 2016 and 2017. Much of the 2013 Restructuring Plan as discussed reflects the Company's intention only and restructuring decisions and the timing of such decisions at certain plants are still subject to the finalization of timetables for the transition of functions and consultation with the Company's employees and their representatives.

The tables below set forth the significant components and activity in the 2013 Restructuring Plan during the fiscal years ended August 31, 2015 and 2014 (in thousands):

2013 Restructuring Plan — Fiscal Year Ended August 31, 2015

	Liability Balance at August 31, 2014	Restructuring Related Charges	Asset Write-off Charge and Other Non-Cash Activity	Cash Payments	Liability Balance at August 31, 2015
Employee severance and benefit costs	$45,246	$24,327	$(4,122)	$(35,404)	$30,047
Lease costs	18	2,777	(12)	(2,719)	64
Asset write-off costs	—	5,565	(5,565)	—	—
Other related costs	257	1,890	(76)	(1,225)	846
Total	$45,521	$34,559	$(9,775)	$(39,348)	$30,957

2013 Restructuring Plan — Fiscal Year Ended August 31, 2014

	Liability Balance at August 31, 2013	Restructuring Related Charges	Asset Write-off Charge and Other Non-Cash Activity	Cash Payments	Liability Balance at August 31, 2014
Employee severance and benefit costs	$55,188	$25,026	$ 283	$(35,251)	$45,246
Lease costs	251	499	(110)	(622)	18
Asset write-off costs	—	8,622	(8,622)	—	—
Other related costs	—	1,277	21	(1,041)	257
Total	$55,439	$35,424	$(8,428)	$(36,914)	$45,521

The tables below set forth the significant components and activity in the 2013 Restructuring Plan by reportable segment during the fiscal years ended August 31, 2015 and 2014 (in thousands):

2013 Restructuring Plan — Fiscal Year Ended August 31, 2015

	Liability Balance at August 31, 2014	Restructuring Related Charges	Asset Write-off Charge and Other Non-Cash Activity	Cash Payments	Liability Balance at August 31, 2015
EMS	$35,504	32,007	(9,700)	(28,977)	$28,834
DMS	8,268	351	(153)	(6,506)	1,960
Other	1,749	2,201	78	(3,865)	163
Total	$45,521	$34,559	$(9,775)	$(39,348)	$30,957

2013 Restructuring Plan — Fiscal Year Ended August 31, 2014

	Liability Balance at August 31, 2013	Restructuring Related Charges	Asset Write-off Charge and Other Non-Cash Activity	Cash Payments	Liability Balance at August 31, 2014
EMS	$45,999	$14,511	$(4,424)	$(20,582)	$35,504
DMS	9,407	16,683	(4,004)	(13,818)	8,268
Other	33	4,230	—	(2,514)	1,749
Total	$55,439	$35,424	$(8,428)	$(36,914)	$45,521

15. Impairment of Notes Receivable and Related Charges

During the fiscal year ended August 31, 2013, the Company recorded a loss of approximately $25.6 million related to notes receivable and related charges. Such a charge was recorded following the determination that it was probable that the Company would be unable to collect the amounts due from a former customer.

16. Business Acquisitions

Fiscal year 2015

On July 1, 2015, the Company completed the acquisition of J.Y.E. Castella Llorca, S.L. and each of its subsidiaries (collectively referred to as "Plasticos") by acquiring 100% of the issued and outstanding common shares of J.Y.E. Castella Llorca, S.L. The aggregate purchase price totaled approximately $111.0 million in cash, based on the exchange rate on the date of acquisition.

The acquisition of Plasticos has been accounted for as a business combination using the acquisition method of accounting. Assets acquired of $168.6 million, including $40.5 million in goodwill and $32.1 million in intangible assets, and liabilities assumed of $49.8 million were recorded at their estimated fair values based on the exchange rate on the date of acquisition. The Company recorded a step acquisition gain of $6.2 million on the previously held Plasticos equity interest of $1.6 million, which is included in other expense within the Consolidated Statement of Operations. The Company is currently evaluating the fair values of the assets and liabilities related to the Plasticos business combination. The preliminary estimates and measurements are, therefore, subject to change during the measurement period for property, plant and equipment, intangible assets and tax adjustments. The excess of the purchase price over the fair value of the acquired assets and assumed liabilities of $40.5 million was recorded to goodwill. None of the goodwill is currently expected to be deductible for income tax purposes. The Company expensed transaction costs in connection with the acquisition of Plasticos of approximately $1.8 million during the fiscal year ended August 31, 2015. The results of operations were included in the Company's consolidated financial results beginning on July 1, 2015. Pro forma information has not been provided as the acquisition of Plasticos is not deemed to be significant.

In connection with the acquisition of Plasticos, the Company acquired $32.1 million of intangible assets, including $24.4 million assigned to customer relationships with an assigned useful life of up to 10 years, $6.5 million assigned to intellectual property with an assigned useful life of up to 5 years and $1.2 million assigned to a definite-lived trade name with an assigned useful life of up to 1 year.

During the fiscal year ended August 31, 2015, the Company completed five additional acquisitions which were not deemed to be significant individually or in the aggregate. The acquired businesses expanded the Company's capabilities in consumer lifestyles and wearable technologies and networking and telecommunications. The aggregate purchase price of these acquisitions totaled approximately $117.0 million in cash.

The acquisitions have been accounted for as business combinations using the acquisition method of accounting. Assets acquired of $167.8 million, including $42.4 million in goodwill and $31.7 million in intangible assets, and liabilities assumed of $50.8 million were recorded at their estimated fair values as of the acquisition dates. The Company is currently evaluating the fair values of the assets and liabilities related to the business combinations completed during the fiscal year ended August 31, 2015. The preliminary estimates and measurements are, therefore, subject to change during the measurement period for intangible assets and tax adjustments. The excess of the purchase prices over the fair values of the acquired assets and assumed liabilities of $42.4 million was recorded to goodwill. None of the goodwill is currently expected to be deductible for income tax purposes. The Company expensed transaction costs in connection with the acquisitions of approximately $6.1 million during the fiscal year ended August 31, 2015. The results of operations were included in the Company's consolidated financial results beginning on the date of the acquisitions. Pro forma information has not been provided as the acquisitions are not deemed to be significant individually or in the aggregate.

Fiscal year 2013

On July 1, 2013, the Company completed its acquisition of Nypro by acquiring 100% of the issued and outstanding common shares of Nypro for net aggregate consideration of $696.0 million, which was funded from available cash. Nypro is a provider of manufactured precision plastic products for customers in the healthcare, packaging and consumer electronics industries. Nypro has advanced capabilities in product design, tooling, injection molding, surface decoration and complete product manufacturing.

The acquisition of Nypro has been accounted for as a business combination using the acquisition method of accounting. The allocation of the purchase price is considered final based on events and circumstances that existed on the acquisition date. The effects of the measurement period adjustments to the Consolidated Statements of Operations were not material.

The following table (in thousands) summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

	As reported at August 31, 2013	Adjustments		August 31, 2014
Cash	$ 77,384	$ (12)	(a)	$ 77,372
Other current assets	343,446	(648)	(a)	342,798
Property, plant and equipment	282,599	(5,986)	(b)	276,613
Intangible assets	196,800	7,900	(b)	204,700
Goodwill	335,871	34,696	(c)	370,567
Other assets	28,304	(1,745)	(a)	26,559
Current liabilities	(322,397)	(361)	(a)	(322,758)
Long-term deferred tax liability	(153,030)	(15,810)	(a)	(168,840)
Other liabilities	(72,906)	3,628	(a)	(69,278)
Noncontrolling interests	(36,548)	(5,162)	(b)	(41,710)
Net assets acquired	$ 679,523	$ 16,500		$ 696,023

(a) Adjustment related to the fair value of identifiable assets and liabilities
(b) Adjustment based on final valuation results
(c) Adjustment based on finalization of provisional amounts previously recorded in (a) and (b)

The excess of the purchase price over the fair value of the acquired assets and assumed liabilities of $370.6 million was recorded to goodwill and was assigned fully to the DMS reportable segment. The goodwill is not expected to be deductible for tax purposes.

The $204.7 million of acquired intangible assets include $81.0 million assigned to customer relationships with an assigned useful life of up to 15 years, $51.2 million assigned to intellectual property with an assigned useful life of up to eight years and $72.5 million assigned to an indefinite-lived trade name.

Customer relationships were valued using the multi-period excess earnings method under the income approach. The intellectual property and indefinite-lived trade name were valued using a relief from royalty method under the income approach. The valuations considered expected and historical trends and discount rates were utilized to reflect the risk associated with the intangible assets relative to the overall business operations of the Company.

During the fiscal year ended August 31, 2013, the Company expensed transaction costs of $13.5 million related to the Nypro acquisition within the Consolidated Statements of Operations.

The results for the fiscal year ended August 31, 2013 included results from Nypro between July 1, 2013 and August 31, 2013. During this period, Nypro contributed $183.2 million in net revenue and $8.8 million of net loss to the Company's Consolidated Statements of Operations. The following unaudited pro forma financial information for the fiscal years ended August 31, 2013 and 2012 represent the combined results of the Company's operations as if the Nypro acquisition had occurred on September 1, 2011 (in thousands, except earnings per share):

	Pro forma Fiscal Year Ended August 31, 2013	Pro forma Fiscal Year Ended August 31, 2012
Net revenue	$18,150,599	$17,263,831
Net income	$ 237,119	$ 408,315
Earnings per share, basic	$ 1.17	$ 1.98
Earnings per share, diluted	$ 1.14	$ 1.93

Pro forma earnings for the fiscal years ended August 31, 2013 and 2012 were adjusted by $(78.3) million and $86.3 million, respectively, for recurring changes in amortization, interest expense and income taxes related to the acquisition, certain non-recurring acquisition costs and income taxes associated with a repatriation of foreign earnings to the U.S. The pro forma earnings do not include any adjustments for cost savings and other synergy benefits.

On August 28, 2014, the Company sold its controlling financial interests in two Nypro subsidiaries for $5.2 million. For the fiscal year ended August 31, 2014, the Company recorded a loss on disposal of subsidiaries of $8.0 million within the Consolidated Statement of Operations.

17. New Accounting Guidance

During the third quarter of fiscal year 2014, the Financial Accounting Standards Board ("FASB") issued an accounting standard which will supersede existing revenue recognition guidance under current U.S. GAAP. The new standard is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. During the fourth quarter of fiscal year 2015, the FASB issued an accounting standard deferring the effective date of this accounting guidance by one year. Therefore, the accounting standard is effective for the Company in the first quarter of fiscal year 2019. Companies may use either a full retrospective or a modified retrospective approach to adopt this standard and management is currently evaluating which transition approach to use. The Company is currently in the process of assessing what impact this new standard may have on its Consolidated Financial Statements.

In April 2015, the FASB issued new accounting guidance intended to simplify the presentation of debt issuance costs. The guidance requires that debt issuance costs related to a recognized debt liability be presented as a direct deduction from the carrying amount of that debt liability on the balance sheet, consistent with the presentation for debt discounts. This guidance must be applied on a retrospective basis and is effective for the Company beginning in the first quarter of fiscal year 2017 with early adoption permitted. The Company does not expect the adoption of this guidance to have a significant impact on its Consolidated Financial Statements.

During the fourth quarter of fiscal year 2015, the FASB issued a new accounting standard intended to simplify the subsequent measurement of inventory, excluding inventory accounted for under the last-in, first-out or the retail inventory methods. The new standard replaces the current lower of cost or market test with a lower of cost and net realizable value test. Under the current guidance, market could be replacement cost, net realizable value or net realizable value less an approximately normal profit margin. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This guidance should be applied on a prospective basis and is effective for the Company beginning in the first quarter of fiscal year 2018 with early adoption permitted. The Company is currently in the process of assessing what impact this new standard may have on its Consolidated Financial Statements.

18. Subsequent Events

The Company has evaluated subsequent events that occurred through the date of the filing of the Company's fiscal year 2015 Form 10-K. No significant events occurred subsequent to the balance sheet date and prior to the filing date of this report that would have a material impact on the Consolidated Financial Statements.

SIGNATURES

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

JABIL CIRCUIT, INC.
Registrant

By: /s/ Mark T. Mondello

Mark T. Mondello
Chief Executive Officer

Date: October 16, 2015

POWER OF ATTORNEY

KNOW ALL THESE PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Mark T. Mondello and Forbes I.J. Alexander and each of them, jointly and severally, his attorneys-in-fact, each with full power of substitution, for him in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each said attorneys-in-fact or his substitute or substitutes, may do or 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 persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
By: /s/ TIMOTHY L. MAIN **Timothy L. Main**	Chairman of the Board of Directors	October 14, 2015
By: /s/ THOMAS A. SANSONE **Thomas A. Sansone**	Vice Chairman of the Board of Directors	October 14, 2015
By: /s/ MARK T. MONDELLO **Mark T. Mondello**	Chief Executive Officer and Director (Principal Executive Officer)	October 16, 2015
By: /s/ FORBES I.J. ALEXANDER **Forbes I.J. Alexander**	Chief Financial Officer (Principal Financial and Accounting Officer)	October 16, 2015
By: /s/ MEL S. LAVITT **Mel S. Lavitt**	Director	October 14, 2015
By: /s/ LAWRENCE J. MURPHY **Lawrence J. Murphy**	Director	October 14, 2015
By: /s/ FRANK A. NEWMAN **Frank A. Newman**	Director	October 14, 2015
By: /s/ STEVEN A. RAYMUND **Steven A. Raymund**	Director	October 14, 2015
By: /s/ DAVID M. STOUT **David M. Stout**	Director	October 14, 2015
By: /s/ MARTHA F. BROOKS **Martha F. Brooks**	Director	October 14, 2015

SCHEDULE II

JABIL CIRCUIT, INC. AND SUBSIDIARIES

SCHEDULE OF VALUATION AND QUALIFYING ACCOUNTS (in thousands)

	Balance at Beginning of Period	Additions and Adjustments Charged to Costs and Expenses	Additions/ (Reductions) Charged to Other Accounts	Write-offs	Balance at End of Period
Allowance for uncollectible accounts receivable:					
Fiscal year ended August 31, 2015	$ 1,994	$11,837	$ —	$ (2,168)	$ 11,663
Fiscal year ended August 31, 2014	$ 2,574	$17,056	$ —	$(17,636)	$ 1,994
Fiscal year ended August 31, 2013	$ 3,095	$ 1,617	$ —	$ (2,138)	$ 2,574

	Balance at Beginning of Period	Additions and Adjustments Charged to Costs and Expenses	Additions/ (Reductions) Charged to Other Accounts	Write-offs	Balance at End of Period
Reserve for inventory obsolescence:					
Fiscal year ended August 31, 2015	$ 49,431	$10,826	$ —	$(16,780)	$ 43,477
Fiscal year ended August 31, 2014	$ 48,168	$20,515	$ —	$(19,252)	$ 49,431
Fiscal year ended August 31, 2013	$ 31,737	$27,109	$ —	$(10,678)	$ 48,168

	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Additions/ (Reductions) Charged to Other Accounts	Write-offs	Balance at End of Period
Valuation allowance for deferred taxes:					
Fiscal year ended August 31, 2015	$261,285	$79,933	$ (29,069)	$ (7,329)	$304,820
Fiscal year ended August 31, 2014	$280,755	$60,334	$ (67,167)	$(12,637)	$261,285
Fiscal year ended August 31, 2013	$447,630	$28,221	$(121,373)	$(73,723)	$280,755

During the fiscal year ended August 31, 2015, the increases charged to costs and expenses primarily related to losses in sites with existing valuation allowances. During the fiscal year ended August 31, 2014, the increases charged to costs and expenses primarily related to losses in sites with existing valuation allowances, which were reduced by the partial release of the U.S. valuation allowance due to the Nypro acquisition. The reductions charged to other accounts primarily related to the gain on sale of discontinued operations that utilized net operating loss carry forwards.

See accompanying report of independent registered certified public accounting firm.

EXHIBIT INDEX

Exhibit No.		Description
3.1(19)	—	Registrant's Certificate of Incorporation, as amended.
3.2(25)	—	Registrant's Bylaws, as amended.
4.1(2)	—	Form of Certificate for Shares of the Registrant's Common Stock.
4.2(9)	—	Indenture, dated January 16, 2008, with respect to Senior Debt Securities of the Registrant, between the Registrant and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee.
4.3(10)	—	Form of 8.250% Registered Senior Notes issued on July 18, 2008.
4.4(11)	—	Form of 7.750% Registered Senior Notes issued on August 11, 2009.
4.5(14)	—	Form of 5.625% Registered Senior Notes issued on November 2, 2010.
4.6(19)	—	Form of 4.700% Registered Senior Notes issued on August 3, 2012.
4.7(11)	—	Officers' Certificate of the Registrant pursuant to the Indenture, dated August 11, 2009.
4.8(14)	—	Officers' Certificate of the Registrant pursuant to the Indenture, dated November 2, 2010.
4.9(19)	—	Officers' Certificate of the Registrant pursuant to the Indenture, dated August 3, 2012.
10.1(3)(4)	—	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)(13)	—	Jabil 2002 Stock Incentive Plan.
10.4a(7)	—	Form of Jabil Circuit, Inc. 2002 Stock Incentive Plan Stock Option Agreement (prior form).
10.4b(7)	—	Form of Jabil Circuit, Inc. 2002 Stock Incentive Plan-French Subplan Stock Option Agreement (prior form).
10.4c(7)	—	Form of Jabil Circuit, Inc. 2002 Stock Incentive Plan-UK Subplan CSOP Option Certificate (prior form).
10.4d(7)	—	Form of Jabil Circuit, Inc. 2002 Stock Incentive Plan-UK Subplan Stock Option Agreement (prior form).
10.4e(12)	—	Form of Jabil Circuit, Inc. Restricted Stock Award Agreement (prior form).
10.4f(13)	—	Form of Jabil Circuit, Inc. Time-Based Restricted Stock Award Agreement (prior form).
10.4g(13)	—	Form of Jabil Circuit, Inc. Performance-Based Restricted Stock Award Agreement (prior form).
10.4h(8)	—	Form of Stock Appreciation Right Agreement (prior form).
10.4i(3)(6)	—	Addendum to the Terms and Conditions of the Jabil Circuit, Inc. 2002 Stock Incentive Plan for Grantees Resident in France.
10.4j(3)(5)	—	Schedule to the Jabil Circuit, Inc. 2002 Stock Incentive Plan for Grantees Resident in the United Kingdom.
10.5(3)(16)	—	Jabil 2011 Employee Stock Purchase Plan.
10.6(3)(23)	—	Jabil 2011 Stock Award and Incentive Plan, as amended.
10.6a(17)	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS NON).
10.6b(17)	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS OEU).
10.6c(17)	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS ONEU).
10.6d(22)	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS Officer – EU2).
10.6e(22)	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS Officer – NON-EU2).
10.6f(22)	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS Non-Officer2).
10.6g(24)	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS Officer – EU3).
10.6h(24)	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS Officer – Non-EU3).
10.6i(24)	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS Non-Officer3).

Exhibit No.		Description
10.6j	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS Officer – EU4).
10.6k	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS Officer – Non-EU4).
10.6l	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU EPS Non-Officer4).
10.6m	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU TSR Officer – EU).
10.6n	—	Form of Performance-Based Restricted Stock Unit Award Agreement (PBRSU TSR Officer – Non-EU).
10.6o(17)	—	Form of Time-Based Restricted Stock Unit Award Agreement (TBRSU DIR).
10.6p(17)	—	Form of Time-Based Restricted Stock Unit Award Agreement (TBRSU NON).
10.6q(17)	—	Form of Time-Based Restricted Stock Unit Award Agreement (TBRSU OEU).
10.6r(17)	—	Form of Time-Based Restricted Stock Unit Award Agreement (TBRSU ONEU).
10.6s(25)	—	Form of Time-Based Restricted Stock Unit Award Agreement (ACQ TBRSU).
10.6t(20)	—	Form of Cash Bonus Award Agreement.
10.6u(21)	—	Form of Cash Bonus Award Agreement (Officer – EU).
10.6v(21)	—	Form of Cash Bonus Award Agreement (Officer – Non EU).
10.6w(24)	—	Form of Stock Appreciation Right Award Agreement (SAR Officer – Non EU).
10.7(3)(15)	—	Executive Deferred Compensation Plan.
10.8	—	Amended and Restated Senior Five Year Credit Agreement, dated as of July 6, 2015, among the Registrant; the initial lenders named therein; Citibank, N.A., as administrative agent; JPMorgan Chase Bank, N.A. and Bank of America, N.A., as co-syndication agents; BNP Paribas, Mizuho Bank, Ltd. and The Bank of Nova Scotia, as documentation agents; and Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner and Smith Incorporated, BNP Paribas Securities Corp., Mizuho Bank, Ltd. and The Bank of Nova Scotia, as joint lead arrangers and joint bookrunners.
21.1	—	List of Subsidiaries.
23.1	—	Consent of Independent Registered Certified Public Accounting Firm.
24.1	—	Power of Attorney (See Signature page).
31.1	—	Rule 13a-14(a)/15d-14(a) Certification by the Chief Executive Officer of the Registrant.
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 Chief Executive Officer of the Registrant.
32.2	—	Section 1350 Certification by the Chief Financial Officer of the Registrant.
101.INS	—	XBRL Instance Document.
101.SCH	—	XBRL Taxonomy Extension Schema Document.
101.CAL	—	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	—	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	—	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	—	XBRL Taxonomy Extension Definitions Linkbase Document.

(1) Incorporated by reference to the Registration Statement on Form S-1 (File No. 33-58974) filed by the Registrant on March 3, 1993.

(2) Incorporated by reference to exhibit Amendment No. 1 to the Registration Statement on Form S-1 (File No. 33-58974) filed by the Registrant on March 17, 1993.

(3) Indicates management compensatory plan, contract or arrangement.

(4) Incorporated by reference to the Registration Statement on Form S-8 (File No. 333-37701) filed by the Registrant on October 10, 1997.

(5) Incorporated by reference to the Registration Statement on Form S-8 (File No. 333-98299) filed by the Registrant on August 16, 2002.

(6) Incorporated by reference to the Registration Statement on Form S-8 (File No. 333-106123) filed by the Registrant on June 13, 2003.

(7) Incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 001-14063) for the fiscal year ended August 31, 2004.

(8) Incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 001-14063) for the fiscal year ended August 31, 2005.
(9) Incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 001-14063) filed by the Registrant on January 17, 2008.
(10) Incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 001-14063) for the fiscal year ended August 31, 2008.
(11) Incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 001-14063) filed by the Registrant on August 12, 2009.
(12) Incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 001-14063) for the fiscal year ended August 31, 2009.
(13) Incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 001-14063) for the fiscal year ended August 31, 2010.
(14) Incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 001-14063) filed by the Registrant on November 2, 2010.
(15) Incorporated by reference to the Registration Statement on Form S-8 (File No. 333-172443) filed by the Registrant on February 25, 2011.
(16) Incorporated by reference to the Registration Statement on Form S-8 (File No. 333-172458) filed by the Registrant on February 25, 2011.
(17) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14063) filed by the Registrant for the fiscal quarter ended May 31, 2011.
(18) Incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 001-14063) for the fiscal year ended August 31, 2011.
(19) Incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 001-14063) filed by the Registrant on August 6, 2012.
(20) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14063) filed by the Registrant for the fiscal quarter ended November 30, 2012.
(21) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14063) filed by the Registrant for the fiscal quarter ended February 28, 2013.
(22) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14063) filed by the Registrant for the fiscal quarter ended November 30, 2013.
(23) Incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 001-14063) for the fiscal year ended August 31, 2013.
(24) Incorporated by reference to the Registrant's Annual Report on Form 10-K (File No. 001-14063) for the fiscal year ended August 31, 2014.
(25) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14063) filed by the Registrant for the fiscal quarter ended May 31, 2015.

EXHIBIT 21.1

Jabil Circuit, Inc. Subsidiaries*

Ownership is 100% except where designated

AOC HongKong Limited (Hong Kong)
AOC Technologies (Wuhan) Co., Ltd. (China)
AOC Technologies, Inc. (USA)
Celebit Technology Private Limited (India)
Celetronix India Private Limited (India)
Celetronix Mauritius Limited (Mauritius)
Celetronix USA, Inc. (USA)
Clothing Plus Hong Kong Ltd. (Hong Kong)
Clothing Plus MBU Oy (Finland)
Clothing Plus Oy (Finland)
Clothing Plus Zhejiang Ltd. (China)
D-J, Inc. (USA)
Digitek Electronics Limited (Hong Kong)
F-I Holding Company (Cayman Islands)
GET Manufacturing (USA), Inc. (USA)
Green Point (Suzhou) Technology Co., Ltd. (China)
Green Point (Tianjin) Electronic Technology Co., Ltd. (China)
Green Point (Tianjin) Precision Electronic Co., Ltd. (China)
Green Point (Wuxi) Electronic Technology Co., Ltd. (China)
Green Point (Yantai) Precision Electronic Co., Ltd. (China)
Green Point Industrial Co., Ltd. (British Virgin Islands)
Green Point Precision (M) Sdn. Bhd. (Malaysia)
Green Point Precision (Nanjing) Co., Ltd. (China)
Green Point Precision Components Co., Ltd. (Taiwan)
Green Point Technology (Shenzhen) Co., Ltd. (China)
Green Point Technology (Wuxi) Co., Ltd. (China)
Green Prosperity Co., Ltd. (British Virgin Islands)
J.y.E. Castella Llorca S.L. (Spain)
Jabil (BVI) II Ltd. (British Virgin Islands)
Jabil (Mauritius) Holdings Ltd. (Mauritius)
Jabil Advanced Mechanical Solutions de Mexico, S. de R.L. de C.V. (Mexico)
Jabil Advanced Mechanical Solutions, Inc. (USA)
Jabil AMS, LLC (USA)
Jabil Assembly Poland sp. z.o.o. (Poland)
Jabil C.M. S.r.l. (Italy)
Jabil Canada Corporation (Canada)
Jabil Circuit (Beijing) Ltd. (China)
Jabil Circuit (BVI) Inc. (British Virgin Islands)
Jabil Circuit (Guangzhou) Ltd. (China)
Jabil Circuit (Shanghai) Co. Ltd. (China)
Jabil Circuit (Singapore) Pte. Ltd. (Singapore)
Jabil Circuit (Wuxi) Co. Ltd. (China)
Jabil Circuit Austria GmbH (Austria)
Jabil Circuit Belgium N.V. (Belgium)
Jabil Circuit Bermuda Ltd. (Bermuda)
Jabil Circuit Caserta S.r.l. (Italy)
Jabil Circuit Cayman L.P. (Cayman Islands)
Jabil Circuit Chihuahua, LLC (USA)

Jabil Circuit China Limited (Hong Kong)
Jabil Circuit China Manufacturing Limited (Guernsey)
Jabil Circuit de Chihuahua S. de R.L. de C.V. (Mexico)
Jabil Circuit de Mexico S.A. de C.V. (Mexico)
Jabil Circuit de Reynosa, S. de R.L. de C.V. (Mexico)
Jabil Circuit Financial, Inc. (USA)
Jabil Circuit Financial II, Inc. (USA)
Jabil Circuit GmbH (Germany)
Jabil Circuit Guadalajara, LLC (USA)
Jabil Circuit Guangzhou Holding (BVI) Inc. (British Virgin Islands)
Jabil Circuit Holdings GmbH (Germany)
Jabil Circuit Holdings Limited (United Kingdom)
Jabil Circuit Hong Kong Limited (Hong Kong)
Jabil Circuit Hungary Contract Manufacturing Services Ltd. (Hungary)
Jabil Circuit India Private Limited (India)
Jabil Circuit Investment (China) Co., Ltd (China)
Jabil Circuit Italia S.r.l. (Italy)
Jabil Circuit Limited (United Kingdom)
Jabil Circuit Luxembourg S.a.r.l. (Luxembourg)
Jabil Circuit Luxembourg II S.a.r.l. (Luxembourg)
Jabil Circuit Netherlands B.V. (Netherlands)
Jabil Circuit of Michigan, Inc. (USA)
Jabil Circuit Poland sp. z.o.o. (Poland)
Jabil Circuit Real Estate GmbH (Germany)
Jabil Circuit Reynosa, LLC (USA)
Jabil Circuit SAS (France)
Jabil Circuit Sdn Bhd (Malaysia)
Jabil Circuit Services Limited (Hong Kong)
Jabil Circuit Technology LLC (Cayman Islands)
Jabil Circuit Ukraine Limited (Ukraine)
Jabil Circuit, LLC (USA)
Jabil Defense and Aerospace Services, LLC (USA)
Jabil Denmark Aps (Denmark)
Jabil do Brasil Industria Eletroeletronica Ltda. (Brazil)
Jabil Green Point Precision Electronics (Wuxi) Co. Ltd. (China)
Jabil Hungary LP Services, LLC (Hungary)
Jabil Industrial do Brasil Ltda. (Brazil)
Jabil International Treasury Pte. Ltd (Singapore)
Jabil Investment Pte. Ltd. (Singapore)
Jabil Israel Ltd. (Israel)
Jabil Japan, Inc. (Japan)
Jabil Luxembourg Manufacturing S.a.r.l. (Luxembourg)
Jabil Mexico Investment, S. de R.L. de C.V. (Mexico)
Jabil Mexico, S.A. de C.V. (Mexico)
Jabil Sdn Bhd (Malaysia)
Jabil Technology (Chengdu) Co., Ltd (China)
Jabil Technology and Trading (Wuxi) Co., Ltd. (China)
Jabil Vietnam Company Limited (Vietnam)
Jabil, Limited Liability Company (Russian Federation)
JP Danshui Holding (BVI) Inc. (British Virgin Islands)
Kasalis Inc. (USA)
Mikma-Bett (Russian Federation) (Jabil indirectly owns 13.606% of this entity)
Mikromashina (Russian Federation) (Jabil indirectly owns 54.42% of this entity)
New Venture Group LLC (USA)
NP Medical Inc. (USA)

NPA de Mexico S. de R.L. de C.V. (Mexico)
Nypro Alabama LLC (USA)
Nypro Atlanta LLC (USA)
Nypro China Holdings Limited (Hong Kong)
Nypro de Amazonia (Brazil)
Nypro de la Frontera, S. de R.L. de C.V. (Mexico)
Nypro Deutschland GmbH (Germany)
Nypro France SAS (France)
Nypro Germany Holdings GmbH (Germany)
Nypro Germany Verwaltungs B.V. & Co. KG (Germany)
Nypro Global Holdings CV (Netherlands)
Nypro Guadalajara S.A. de C.V. (Mexico)
Nypro Healthcare Baja Inc. (USA)
Nypro Healthcare GmbH (Germany)
Nypro Hong Kong Limited (Hong Kong)
Nypro Hungary Műanyagtechnika Kft (Hungary)
Nypro Inc. (USA)
Nypro International Holdings BV (Netherlands)
Nypro Iowa Inc. (USA)
Nypro JV Holdings Inc. (USA)
Nypro Korea Ltd. (Korea)
Nypro Limited (Ireland)
Nypro Monterey Inc. (USA)
Nypro Monterrey Management S. de R.L. de C.V. (Mexico)
Nypro Nagyigmánd Vagyonkezelő Kft (Hungary)
Nypro Oregon Inc. (USA)
Nypro Plastics & Metal Products (Shenzhen) Co., Ltd. (China)
Nypro Plastics & Molding Products (Suzhou) Co., Ltd. (China)
Nypro Puerto Rico Inc. (USA)
Nypro Realty Corp (USA)
Nypro Realty Holdings Inc. (USA)
Nypro Realty Limited Partnership (USA)
Nypro Research and Development Limited (Ireland) (Jabil indirectly owns 98.8% of this entity)
Nypro Singapore Mold Pte Ltd (Singapore)
Nypro Singapore Pte Ltd (Singapore)
Nypro Spain Holding, S.L.U. (Spain)
Nypro Tool (Shenzhen) Co., Ltd. (China)
Nypro Tool (Suzhou) Co., Ltd. (China)
Nypro Tool Hong Kong Limited (Hong Kong)
NyproMold Chicago Inc. (USA) (Jabil indirectly owns 50% of this entity)
NyproMold Inc. (USA) (Jabil indirectly owns 50% of this entity)
NyproMold Investment Corp. (USA) (Jabil indirectly owns 50% of this entity)
Plasticast Hungary Korlátolt Felelősségű Társaság (Hungary)
Plasticast N Hold, S.L. (Spain)
Plasticos Castella S.A.U. (Spain)
PT Jabil Circuit Indonesia (Indonesia)
Radius Chicago LLC (USA) (Jabil indirectly owns 90% of this entity)
Radius Hong Kong Limited (Hong Kong) (Jabil indirectly owns 90% of this entity)
Radius Innovation and Product Development (Shanghai) Co. Ltd. (China) (Jabil indirectly owns 90% of this entity)
Radius Product Development and Consultation (Beijing) Co., Ltd. (China) (Jabil indirectly owns 90% of this entity)
Radius Product Development Inc. (USA) (Jabil indirectly owns 90% of this entity)
Shanghai Caohejing Xinzhou Economic Development Limited Company (China)
Sypro Optics GmbH (Germany)

Taiwan Green Point Enterprises Co., Ltd. (Taiwan)
Taiwan Green Point Enterprises Co., Ltd. (BVI) (British Virgin Islands)
Westing Green (Tianjin) Plastic Co., Ltd (China)
Wolfe Engineering (Shanghai) Co., Ltd. (China)
Wolfe Engineering, Inc. (USA)

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* Jabil Circuit, Inc. subsidiaries list as of August 31, 2015.

EXHIBIT 23.1

Consent of Independent Registered Certified Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-199503) of Jabil Circuit, Inc. and subsidiaries, and

(2) Registration Statement (Form S-8 Nos. 333-187772, 333-172458, 333-172457, 333-172443, 333-165921, 333-132721, 333-112264, 333-98299, 333-106123, 333-146577, 333-149277, and 333-158291) of Jabil Circuit, Inc. and subsidiaries

of our reports dated October 16, 2015, with respect to the consolidated financial statements and schedule of Jabil Circuit, Inc. and subsidiaries, and the effectiveness of internal control over financial reporting of Jabil Circuit, Inc. and subsidiaries, included in this Annual Report (Form 10-K) for the year ended August 31, 2015.

/s/ ERNST & YOUNG LLP

Tampa, Florida
October 16, 2015

EXHIBIT 31.1

CERTIFICATIONS

I, Mark T. Mondello, certify that:

1. I have reviewed this annual report on Form 10-K of Jabil Circuit, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a – 15 (e) and 15d – 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a – 15(f) and 15d – 15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 16, 2015

/s/ MARK T. MONDELLO

Mark T. Mondello
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Forbes I.J. Alexander, certify that:

1. I have reviewed this annual report on Form 10-K of Jabil Circuit, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a – 15 (e) and 15d – 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a – 15(f) and 15d – 15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 16, 2015

/s/ FORBES I.J. ALEXANDER

Forbes I.J. Alexander
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Jabil Circuit, Inc. (the "Company") on Form 10-K for the fiscal year ended August 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), I, Mark T. Mondello, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 16, 2015

/s/ MARK T. MONDELLO

Mark T. Mondello
Chief Executive Officer

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Jabil Circuit, Inc. (the "Company") on Form 10-K for the fiscal year ended August 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), I, Forbes I.J. Alexander, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 16, 2015

/s/ FORBES I.J. ALEXANDER

Forbes I.J. Alexander
Chief Financial Officer

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Board of Directors and Shareholder Information



Timothy L. Main
Chairman
Jabil Circuit, Inc.
Jabil Director, 1999
Age 58

Thomas A. Sansone
Vice Chairman
Jabil Circuit, Inc.
Jabil Director, 1983
Age 66

Mark T. Mondello
Chief Executive Officer
Jabil Circuit, Inc.
Jabil Director, 2013
Age 51



Lawrence J. Murphy*
Private Business
Consultant
Jabil Director, 1989
Age 73

Mel S. Lavitt*
Senior Advisor
Needham & Company, LLC
Jabil Director, 1991
Age 78

Steven A. Raymund
Chairman of the Board
Tech Data Corporation
Jabil Director, 1996
Age 60



Frank A. Newman
President and
Chief Executive Officer
The Stow Company
Jabil Director, 1998
Age 67

David M. Stout
Jabil Director, 2009
Age 61

Martha F. Brooks
Jabil Director, 2011
Age 56

** Will not stand for re-election.*

Complete biographical information on Jabil's Board can be found in our fiscal 2015 proxy materials.

Jabil's Board of Directors has standing Audit, Compensation and Nominating & Corporate Governance Committees.
AUDIT: Raymund (Chair), Brooks, Newman
COMPENSATION: Stout (Chair), Lavitt, Murphy
NOMINATING & CORPORATE GOVERNANCE: Sansone (Chair), Lavitt, Stout
Jabil's Corporate Governance Guidelines, Code of Ethics and the charters of these committees can be found on Jabil's website: www.jabil.com

Annual Meeting

January 21, 2016 10:00 AM ET
600 Snell Isle Blvd.
St. Petersburg, Florida 33704

The Annual Meeting proxy contains a description of procedures to nominate persons for election as directors or to introduce an item of business at that meeting, as well as certain Securities and Exchange Commission requirements regarding the date by which we must receive shareholder proposals for inclusion in our proxy materials.

Transfer Agent and Registrar

The transfer agent maintains shareholder records for Jabil Circuit, Inc. Please contact the agent directly for change of address, transfer of stock, replacement of lost certificates, and dividend checks. Phone: 877.498.8865.

Independent Registered Certified Public Accounting Firm

Ernst & Young LLP audits the consolidated financial statements and the effectiveness of internal control over financial reporting of Jabil for the fiscal year ended August 31, 2015. A representative of Ernst & Young LLP is expected to be present at the Annual Meeting and available to respond to questions.

NYSE Certification

Jabil's Chief Executive Officer submitted his annual certification to the NYSE certifying that he was not aware of any violation by Jabil of the NYSE corporate governance listing standards. Jabil has included as exhibits to its Annual Report on Form 10-K for its fiscal year ended August 31, 2015 certifications of its Chief Executive Officer and Chief Financial Officer certifying to the quality of Jabil's public disclosure.

Investor Inquiries & Information

Investor relations inquiries:
Investor Relations
Jabil Circuit, Inc.
10560 Dr. Martin Luther King Jr. Street North
St. Petersburg, Florida 33716
Phone: 727.803.3349
E-mail: investor_relations@jabil.com

Our Form 10-K for our fiscal year ended August 31, 2015 has been filed with the Securities and Exchange Commission and is included as a part of this Annual Report.

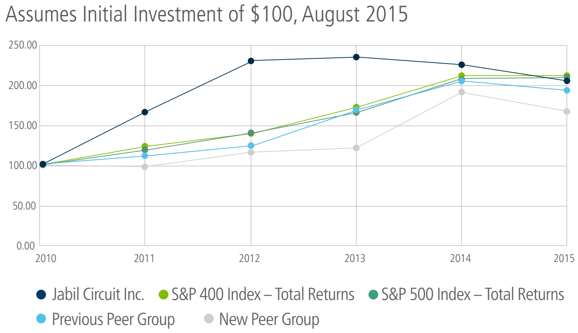
An online version of the 2015 Annual Report is available at:
http://www.jabil.com/2015annualreport

Annual Performance Comparison

The performance graph and table show a comparison of cumulative total stockholder return, assuming the reinvestment of dividends, from a $100 investment in the common stock of Jabil over the five-year period ending August 31, 2015, with the cumulative stockholder return of the (1) S&P MidCap 400 Index, (2) S&P 500 Index (as of November 4, 2014, Jabil is a member of the S&P MidCap 400 Index), (3) previous peer group that includes Benchmark Electronics, Inc., Celestica Inc., Flextronics International Ltd., Plexus Corp., and Sanmina Corp., (4) new peer group that includes Celestica Inc., Catcher Technology Co., Ltd, Flextronics International Ltd., Hon-Hai Precision Industry Co. Ltd, Plexus Corp., and Sanmina Corp.

Comparison of 5 Year Cumulative Total Return

Assumes Initial Investment of $100, August 2015



August 31	2010	2011	2012	2013	2014	2015
Jabil Circuit Inc.	100	166	229	233	224	204
S&P 400 Index - Total Returns	100	122	138	171	211	211
S&P 500 Index - Total Returns	100	118	139	165	207	208
Previous Peer Group	100	110	123	167	203	191
New Peer Group	100	97	116	121	190	167

Prepared by Zacks Investment Research.

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JABIL

Annual/10K 002CSN5BCA