JABIL

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Jabil Circuit Reports Fiscal Year 2000 First Quarter Results

Earnings per share increases 42 percent

16 December 1999
St. Petersburg, Florida

Forward - Looking Statement

Jabil Circuit, Inc. (NYSE: JBL), electronics manufacturing services provider, today reported record revenue for the first quarter of fiscal 2000, ended November 30, 1999. Revenue for the quarter increased 39 percent to $690 million compared to $495 million for the same period of fiscal 1999.

Jabil's first quarter of fiscal 2000 net income increased 56 percent to $31.2 million diluted share, excluding a one-time acquisition-related charge of $5.2 million, compared with $20 million and earnings per share increased 42 percent to $0.34 per diluted share, compared to $0.24 for the first quarter of fiscal 1999.

Gross profit for fiscal 2000 first quarter increased 34 percent to $73.4 million or 10.6 percent of revenue compared to $54.7 million or 11 percent of revenue for the corresponding quarter of fiscal 1999.

Operating income for the first fiscal quarter of 2000 increased 39 percent to $44.5 million or 6.5 percent of revenue, excluding a one-time acquisition-related charge of $5.2 million, compared to $32 million or 6.5 percent of revenue for the first fiscal quarter of 1999.

Jabil Circuit President Timothy L. Main said, "We are pleased with the results for our fiscal first quarter and with our positioning for an outstanding fiscal 2000. Our people continued to deliver strong operational performance during the quarter as we executed a challenging growth plan and incorporated two new acquisitions into the Company."

Income Statement -- Sequential Trend Highlights

The following sequential results are presented in non-pooled format in order to reflect the actual growth of the company during this time period. The results of operations and balance sheet statements attached with this press release contain pooled results.

- First quarter revenue grew by 29 percent over the prior quarter.
- Operating income increased from $37.9 million, to $44.6 million or 6.5 percent of revenue.
- Net income after taxes was $31.2 million or 4.5 percent of revenue, as compared to $26.2 million or 4.9 percent in the prior sequential quarter.
- Earnings per share for the quarter were $.34 on an average 91,389,000 shares during the period, fully diluted. This excludes the impact of an acquisition-related charge of approximately $5 million, or $.05 EPS.

Balance Sheet Review -- Sequential Trend Highlights

- Accounts receivables increased by $90 million to $319 million in the first quarter compared to $228 million in the fourth quarter. Calculated DSO was 42 days, while collection experience was 38 days. This compares to DSO and collection experience of 38 days in the prior quarter.
- Inventories increased by $108 million in the quarter to $299 million compared to $191 million as of the end of August. Calculated inventory turns were eight, as compared to 10 turns in the previous quarter. Inventory balances include approximately $25 million in inventory relating to the GET/JGS acquisitions. Overall inventory balances are somewhat higher as the company prepares for significant growth in several segment areas in the second fiscal quarter. On a forward basis, inventory turns are approximately 10 as the Company enters into the second quarter.
- The Company's debt to capitalization ratio was 7 percent at the end of the quarter.
- For the quarter, average return on assets was 11.5 percent.
- Fiscal first quarter average return on equity was 21 percent.

Business Update

Facilities

Guadalajara, Mexico operation has expanded and now has a second building on the campus bringing total square footage to approximately 400,000 square feet.

In January the company will move into a new 170,000 sq. ft. facility in Boise, Idaho, replacing the smaller leased facility on Hewlett Packard's campus in that location.

The company announced a new greenfield site in Hungary. The Company said it is in the final stages of site acquisition and plan to bring this new operation on line in the early fall of 2000.

The Fiscal Year Ahead

Main commented, "We are gratified with the effort and overall results of our employees during this period of unprecedented growth and challenge. We are concurrently ramping new customers and programs across all of our facilities. We are very pleased to see continued strong organic growth and are pleased to have immediate contributions from our two recent acquisitions. We are also encouraged by our diversified business model of over 30 meaningful customers as we enter this fiscal year, giving the Company numerous opportunities for continued growth."

This release contains certain forward-looking statements, which are subject to a number of risks and uncertainties. Some factors that could cause actual results to differ materially include: business conditions and growth in the contract manufacturing industry and the general economy; variability of operating results; dependence on a limited number of customers; limited availability of components; dependence on certain industries; variability of customer requirements; and other risk factors described in the company's most recently filed SEC documents such as the Form 10-K, filed 11/12/99.