

**JABIL CIRCUIT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands)  
(Unaudited)

	February 29, 2004	August 31, 2003
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 900,687	\$ 699,748
Accounts receivable, net	687,915	759,696
Inventories	675,730	510,218
Refundable income taxes	32,272	27,757
Prepaid expenses and other current assets	102,244	62,942
Deferred income taxes	68,186	33,586
Total current assets	2,467,034	2,093,947
Property, plant and equipment, net	738,128	746,204
Goodwill and intangible assets, net	376,912	381,319
Other assets	19,640	23,275
	\$ 3,601,714	\$ 3,244,745
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Current installments of notes payable, long-term debt and long-term lease obligations	\$ 349,346	\$ 347,237
Accounts payable	902,952	712,697
Accrued expenses	211,082	203,284
Total current liabilities	1,463,380	1,263,218
Notes payable, long-term debt and long-term lease obligations, less current installments	309,795	297,018
Deferred income taxes	46,872	19,223
Other liabilities	53,349	76,810
Total liabilities	1,873,396	1,656,269
Stockholders' equity		
Common stock	200	199
Additional paid-in capital	962,366	944,145
Retained earnings	705,564	623,053
Accumulated other comprehensive income	60,188	21,079
Total stockholders' equity	1,728,318	1,588,476
	\$ 3,601,714	\$ 3,244,745

**JABIL CIRCUIT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(In thousands, except for per share data)  
(Unaudited)

	Three months ended		Six months ended	
	February 29, 2004	February 28, 2003	February 29, 2004	February 28, 2003
Net revenue	\$ 1,491,876	\$ 1,145,917	\$ 3,000,870	\$ 2,214,163
Cost of revenue	<u>1,360,549</u>	<u>1,041,030</u>	<u>2,736,094</u>	<u>2,011,732</u>
Gross profit	131,327	104,887	264,776	202,431
Operating expenses:				
Selling, general and administrative	65,986	60,310	131,995	116,150
Research and development	3,184	2,431	6,090	5,047
Amortization of intangibles	11,952	9,716	22,111	15,867
Acquisition-related charges (1)	-	3,697	1,339	7,412
Restructuring and impairment charges (2)	<u>-</u>	<u>17,128</u>	<u>-</u>	<u>43,487</u>
Operating income	50,205	11,605	103,241	14,468
Other Income	-	-	-	(2,600)
Interest income	(1,815)	(1,847)	(3,471)	(3,771)
Interest expense	<u>4,776</u>	<u>4,182</u>	<u>9,536</u>	<u>7,911</u>
Income before income taxes	47,244	9,270	97,176	12,928
Income tax expense (benefit)	<u>7,229</u>	<u>(842)</u>	<u>14,665</u>	<u>(5,541)</u>
Net income	<u>\$ 40,015</u>	<u>\$ 10,112</u>	<u>\$ 82,511</u>	<u>\$ 18,469</u>
Earnings per share:				
Basic	<u>\$ 0.20</u>	<u>\$ 0.05</u>	<u>\$ 0.41</u>	<u>\$ 0.09</u>
Diluted	<u>\$ 0.19</u>	<u>\$ 0.05</u>	<u>\$ 0.39</u>	<u>\$ 0.09</u>
Common shares used in the calculation of earnings per share:				
Basic	<u>200,267</u>	<u>198,351</u>	<u>199,946</u>	<u>198,162</u>
Diluted	<u>214,738</u>	<u>200,726</u>	<u>214,413</u>	<u>200,419</u>

(1) During the six-months ended February 29, 2004, we recorded acquisition related charges of \$1.3 million (\$1.0 million after-tax) primarily in connection with the acquisitions of certain operations of Royal Philips Electronics and NEC Corporation. During the three-months and six-months ended February 28, 2003, we recorded acquisition related charges of \$3.7 million (\$2.3 million after-tax) and \$7.4 million (\$4.7 million after-tax), respectively, in connection with the acquisitions of certain operations of Quantum Corporation, Alcatel Business Systems, Valeo, Lucent Technologies of Shanghai, Seagate Technologies- Reynosa, S. de R.L. de C.V. and Royal Philips Electronics.

(2) During the three-months and six-months ended February 28, 2003, we recorded charges of \$17.1 million (\$12.0 million after-tax) and \$43.5 million (\$28.5 million after-tax), respectively, related to the restructuring of our business.

**JABIL CIRCUIT, INC. AND SUBSIDIARIES**  
**SUPPLEMENTAL DATA**  
**RECONCILIATION FOR GAAP FINANCIAL RESULTS TO NON-GAAP MEASURES**  
(In thousands, except for per share data)  
**(Unaudited)**

	Three months ended		Six months ended	
	February 29, 2004	February 28, 2003	February 29, 2004	February 28, 2003
<b>Operating income (GAAP)</b>	\$ 50,205	\$ 11,605	\$ 103,241	\$ 14,468
Amortization of intangibles	11,952	9,716	22,111	15,867
Acquisition related charges	-	3,697	1,339	7,412
Restructuring and impairment charges	-	17,128	-	43,487
<b>Core operating income (Non-GAAP)</b>	<u>\$ 62,157</u>	<u>\$ 42,146</u>	<u>\$ 126,691</u>	<u>\$ 81,234</u>
<b>Net Income (GAAP)</b>	\$ 40,015	\$ 10,112	\$ 82,511	\$ 18,469
Amortization of intangibles, net of tax	9,709	8,230	17,827	13,217
Acquisition related charges, net of tax	-	2,328	987	4,652
Restructuring and impairment charges, net of tax	-	11,976	-	28,481
Other income, net of tax	-	-	-	(1,622)
<b>Core earnings (Non-GAAP)</b>	<u>\$ 49,724</u>	<u>\$ 32,646</u>	<u>\$ 101,325</u>	<u>\$ 63,197</u>
<b>Earnings per share: (GAAP)</b>				
Net income	\$ 40,015	\$ 10,112	\$ 82,511	\$ 18,469
Interest expensed on convertible debt, net of tax (1)	942	-	1,884	-
Adjusted net income	<u>\$ 40,957</u>	<u>\$ 10,112</u>	<u>\$ 84,395</u>	<u>\$ 18,469</u>
Basic	<u>\$ 0.20</u>	<u>\$ 0.05</u>	<u>\$ 0.41</u>	<u>\$ 0.09</u>
Diluted	<u>\$ 0.19</u>	<u>\$ 0.05</u>	<u>\$ 0.39</u>	<u>\$ 0.09</u>
<b>Core earnings per share: (Non-GAAP)</b>				
Core earnings	\$ 49,724	\$ 32,646	\$ 101,325	\$ 63,197
Interest expensed on convertible debt, net of tax (1)	942	-	1,884	-
Adjusted core earnings	<u>\$ 50,666</u>	<u>\$ 32,646</u>	<u>\$ 103,209</u>	<u>\$ 63,197</u>
Basic	<u>\$ 0.25</u>	<u>\$ 0.16</u>	<u>\$ 0.51</u>	<u>\$ 0.32</u>
Diluted	<u>\$ 0.24</u>	<u>\$ 0.16</u>	<u>\$ 0.48</u>	<u>\$ 0.32</u>
<b>Common shares used in the calculations of earnings per share:</b>				
Basic	<u>200,267</u>	<u>198,351</u>	<u>199,946</u>	<u>198,162</u>
Diluted (2)	<u>214,738</u>	<u>200,726</u>	<u>214,413</u>	<u>200,419</u>

(1) The computation of earnings per diluted share and core earnings per diluted share for the three-months and six-months ended February 29, 2004 includes the elimination of \$0.9 million and \$1.9 million in net of tax interest expense, respectively, on the convertible subordinated notes, which would have been extinguished had the conversion occurred, as the effect of the conversion would have been dilutive.

(2) Diluted common shares for the three-months and six-months ended February 29, 2004 include 8,406,960 shares of common stock issuable upon the conversion of the \$345.0 million, 20-year, 1.75% convertible subordinated notes as the effect of the conversion would have been dilutive.