



March 22, 2011

## Jabil Reports Solid Second Quarter Results

### Fiscal Year on Track to Exceed Long-Term Growth Targets

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Second Quarter 2011](#)

[Forward - Looking Statement](#)

**St. Petersburg, FL - March 22, 2011**...Jabil Circuit, Inc. (NYSE: JBL), reported its preliminary, unaudited financial results for the second quarter of fiscal 2011, ended February 28, 2011. "We are pleased with the results for the second quarter and first half of fiscal 2011," said Timothy L. Main, President and CEO of Jabil. "Year over year revenue growth in the second quarter and for the first half of fiscal 2011 exceeded 30 percent. We believe this underscores our ability to deliver sustainable long-term growth."

*(Definitions used: "GAAP" means U.S. generally accepted accounting principles. Jabil defines core operating income as GAAP operating income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customer charges, settlement of receivables and related charges and loss on disposal of subsidiaries. Jabil defines core earnings as GAAP net income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customer charges, settlement of receivables and related charges, loss on disposal of subsidiaries, certain other expenses, net of tax and certain deferred tax valuation allowance charges. Jabil defines core earnings per share as core earnings divided by the weighted average number of outstanding shares determined under GAAP. Jabil calculates core return on invested capital by annualizing its after-tax non-GAAP operating income for its most recently-ended quarter and dividing that by a two quarter average net invested capital base. Jabil reports core operating income, core earnings, core earnings per share and core return on invested capital to provide investors an additional method for assessing operating income, earnings, earnings per share and return on invested capital from what it believes are its core manufacturing operations. See the accompanying reconciliation of Jabil's core operating income to its GAAP operating income, Jabil's core earnings and core earnings per share to its GAAP net income and GAAP earnings per share, its calculation of return on invested capital and additional information in the supplemental information.)*

#### **Second Quarter 2011**

Net revenue for the second quarter of fiscal 2011 was \$3.9 billion compared to \$3.0 billion for the same period of fiscal 2010.

#### **GAAP results:**

GAAP operating income for the second quarter of fiscal 2011 was \$104.6 million compared to \$61.8 million for the same period of fiscal 2010.

GAAP net income for the second quarter of fiscal 2011 was \$55.4 million compared to \$29.8 million for the same period of fiscal 2010.

GAAP diluted earnings per share for the second quarter of fiscal 2011 was \$0.25 compared to \$0.14 for the same period of fiscal 2010.

#### **Core results:**

Core operating income for the second quarter of fiscal 2011 was \$168.4 million or 4.3 percent of net revenue compared to \$95.6 million or 3.2 percent of net revenue for the same period of fiscal 2010.

Core earnings for the second quarter of fiscal 2011 were \$118.8 million compared to \$63.3 million for the same period of fiscal 2010.

Core diluted earnings per share for the second quarter of fiscal 2011 was \$0.54 compared to \$0.29 for the same period of fiscal 2010.

#### **Second Quarter Fiscal 2011 - Balance Sheet and Cash Flow Highlights**

- | Cash flow from operations for the quarter was \$450.3 million.
- | Sales cycle was 11 days for the second quarter of fiscal 2011.
- | Annualized inventory turns were seven for the second quarter of fiscal 2011.
- | Capital expenditures for the second quarter of fiscal 2011 were \$106.1 million.
- | Depreciation for the second quarter of fiscal 2011 was \$71.3 million.
- | Cash and cash equivalent balances were \$902.3 million as of February 28, 2011.
- | Core return on invested capital was 25.8 percent for the second quarter of fiscal 2011.
- | A \$0.07 dividend was paid on March 1, 2011.

### **Business Update**

"Our employees and site in Gotemba, Japan were not directly impacted by the natural disaster. However, many of our employees as well as suppliers were impacted. We extend our heartfelt condolences to those who have suffered losses as a result of this tragedy," said Main.

Revenue from Jabil's Gotemba site is not material to overall results.

The natural disaster in Japan may have an impact on the supply of components to Jabil's global manufacturing operations. However, the extent of this impact is not known at this time. Therefore, Jabil is expressing expectations regarding its third quarter results *excluding* the impact of potential supply disruptions on these results.

These expectations include the recently acquired sites in Italy and France on a fully consolidated basis.

Jabil management indicated that it expects net revenue for its third quarter of fiscal 2011 to range from \$4.1 billion to \$4.2 billion.

Jabil estimated that its core operating income for its third quarter of fiscal 2011 will range from \$175 million to \$185 million or 4.3 to 4.4 percent of net revenue.

Jabil indicated that it expects its core earnings per share for its third quarter of fiscal 2011 to range from \$0.55 to \$0.59 per diluted share.

GAAP earnings per share are expected to be in a range from \$0.44 to \$0.48 per diluted share for its third quarter of fiscal 2011. (GAAP earnings per share for the third quarter of fiscal 2011 is currently estimated to include \$0.02 per share for amortization of intangibles and \$0.09 per share for stock-based compensation).

"Jabil's prospects for sustainable long-term growth are excellent as we continue to focus on delivering superior value to our customers," said Main.

### **Supplemental Information**

The financial results disclosed in this release include certain measures calculated and presented in accordance with GAAP. In addition to the GAAP financial measures, Jabil provides supplemental, non-GAAP financial measures to facilitate evaluation of Jabil's core operating performance. The non-GAAP financial measures disclosed in this release exclude certain amounts that are included in the most directly comparable GAAP measures. The non-GAAP or core financial measures disclosed in this release do not have standard meanings and may vary from the non-GAAP financial measures used by other companies. Management believes core financial measures (which exclude the effects of the amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customer charges, settlement of receivables and related charges, loss on disposal of subsidiaries, certain other expenses, net of tax and certain deferred tax valuation allowance charges) are a useful measure that facilitates evaluating the past and future performance of Jabil's ongoing operations on a comparable basis. Jabil reports core operating income, core return on invested capital, core earnings and core earnings per share to provide investors an additional method for assessing operating income, earnings and earnings per share from what it believes are its core manufacturing operations. Included in this release are Condensed Consolidated Statements of Operations as well as a reconciliation of the disclosed core financial measures to the most directly comparable GAAP financial measures.

### **Company Conference Call Information**

Jabil will hold a conference call to discuss the second fiscal quarter 2011 earnings today at 4:30 p.m. ET live on the Internet at <http://www.jabil.com>. The earnings conference call will be recorded and archived for playback on the web at <http://www.jabil.com>. A taped replay of the conference call will also be available March 22, 2011 at approximately 7:30 p.m. ET through midnight on March 29, 2011. To access the replay, call (800) 642-1687 from within the United States, or (706) 645-9291 outside the United States. The pass code is: 51998310. An archived webcast of the conference call will be available at <http://www.jabil.com/investors/>.

**About Jabil**

Jabil is an electronic product solutions company providing comprehensive electronics design, manufacturing and product management services to global electronics and technology companies. Offering complete product supply chain management from facilities in 24 countries, Jabil provides comprehensive, individualized-focused solutions to customers in a broad range of industries. Jabil common stock is traded on the New York Stock Exchange under the symbol, "JBL". Further information is available on Jabil's website: [jabil.com](http://jabil.com).

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