

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

	<u>November 30,</u> <u>2012 (Unaudited)</u>	<u>August 31,</u> <u>2012</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,030,034	\$ 1,217,256
Accounts receivable, net	1,430,468	1,125,015
Inventories	2,465,801	2,268,949
Prepaid expenses and other current assets	980,494	989,326
Income taxes receivable	10,727	10,949
Deferred income taxes	28,552	27,833
	<hr/>	<hr/>
Total current assets	5,946,076	5,639,328
Property, plant and equipment, net	1,859,166	1,779,155
Goodwill and intangible assets, net	211,569	214,071
Deferred income taxes	71,364	73,411
Other assets	97,325	97,176
	<hr/>	<hr/>
Total assets	<u>\$ 8,185,500</u>	<u>\$ 7,803,141</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of notes payable and long-term debt	\$ 9,650	\$ 18,031
Accounts payable	3,374,927	2,992,865
Accrued expenses	852,199	808,480
Income taxes payable	28,416	35,665
Deferred income taxes	4,298	3,955
	<hr/>	<hr/>
Total current liabilities	4,269,490	3,858,996
Notes payable and long-term debt, less current installments	1,656,058	1,658,326
Other liabilities	85,087	85,714
Income tax liability	76,152	68,525
Deferred income taxes	22,668	24,245
	<hr/>	<hr/>
Total liabilities	6,109,455	5,695,806
Commitments and contingencies		
Equity:		
Jabil Circuit, Inc. stockholders' equity:		
Preferred stock	—	—
Common stock	237	232
Additional paid-in capital	1,775,168	1,752,847
Retained earnings	855,819	766,934
Accumulated other comprehensive income	112,890	106,275
Treasury stock, at cost	(670,401)	(521,231)
	<hr/>	<hr/>
Total Jabil Circuit, Inc. stockholders' equity	2,073,713	2,105,057
Noncontrolling interests	2,332	2,278
	<hr/>	<hr/>
Total equity	2,076,045	2,107,335
	<hr/>	<hr/>
Total liabilities and equity	<u>\$ 8,185,500</u>	<u>\$ 7,803,141</u>

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except for per share data)

(Unaudited)

	Three months ended	
	November 30, 2012	November 30, 2011
Net revenue	\$ 4,637,018	\$ 4,326,769
Cost of revenue	4,286,423	3,986,759
Gross profit	350,595	340,010
Operating expenses:		
Selling, general and administrative	169,600	157,823
Research and development	7,263	6,271
Amortization of intangibles	3,451	5,074
Operating income	170,281	170,842
Interest and other, net	30,663	27,646
Income before income tax	139,618	143,196
Income tax expense	34,034	29,415
Net income	105,584	113,781
Net (loss) income attributable to noncontrolling interests, net of income tax expense	(263)	909
Net income attributable to Jabil Circuit, Inc.	\$ 105,847	\$ 112,872
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:		
Basic	\$ 0.52	\$ 0.55
Diluted	\$ 0.51	\$ 0.54
Weighted average shares outstanding:		
Basic	204,318	205,388
Diluted	207,816	209,937

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)
(Unaudited)

	Three months ended	
	November 30, 2012	November 30, 2011
Cash flows from operating activities:		
Net income	\$ 105,584	\$ 113,781
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	95,203	85,861
Recognition of stock-based compensation expense.....	18,803	18,665
Other, net	1,498	(561)
Changes in operating assets and liabilities, exclusive of net assets acquired:		
Accounts receivable	(308,487)	(29,659)
Inventories	(195,316)	(173,336)
Prepaid expenses and other current assets	10,256	(49,009)
Other assets	233	6,319
Accounts payable and accrued expenses	424,119	147,107
Income taxes payable	21	(4,595)
Net cash provided by operating activities	<u>151,914</u>	<u>114,573</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment.....	(166,485)	(103,234)
Proceeds from sale of property, plant and equipment	1,981	8,148
Cost of receivables acquired, net of cash collections	—	510
Net cash used in investing activities	<u>(164,504)</u>	<u>(94,576)</u>
Cash flows from financing activities:		
Borrowings under debt agreements	776,517	2,380,710
Payments toward debt agreements	(787,196)	(2,370,864)
Payments to acquire treasury stock	(129,262)	—
Dividends paid to stockholders	(18,551)	(15,528)
Capital contributions made to noncontrolling interest	317	—
Net proceeds from exercise of stock options and issuance of common stock under employee stock purchase plan	3,201	3,183
Treasury stock minimum tax withholding related to vesting of restricted stock.....	(19,908)	(30,868)
Excess tax benefit related to stock awards	330	888
Net cash used in financing activities	<u>(174,552)</u>	<u>(32,479)</u>
Effect of exchange rate changes on cash and cash equivalents	(80)	(14,225)
Net decrease in cash and cash equivalents.....	(187,222)	(26,707)
Cash and cash equivalents at beginning of period	1,217,256	888,611
Cash and cash equivalents at end of period	<u>\$ 1,030,034</u>	<u>\$ 861,904</u>

JABIL CIRCUIT, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA
RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP MEASURES

(In thousands, except for per share data)
(Unaudited)

	Three months ended	
	November 30, 2012	November 30, 2011
Operating income (GAAP)	\$ 170,281	\$ 170,842
Amortization of intangibles	3,451	5,074
Stock-based compensation and related charges	18,803	18,665
Core operating income (Non-GAAP)	\$ 192,535	\$ 194,581
 Net income attributable to Jabil Circuit, Inc. (GAAP)	 \$ 105,847	 \$ 112,872
Amortization of intangibles, net of tax	3,318	5,061
Stock-based compensation and related charges, net of tax	18,593	18,269
Core earnings (Non-GAAP)	\$ 127,758	\$ 136,202
 Earnings per share: (GAAP)		
Basic	\$ 0.52	\$ 0.55
Diluted	\$ 0.51	\$ 0.54
 Core earnings per share: (Non-GAAP)		
Basic	\$ 0.63	\$ 0.66
Diluted	\$ 0.61	\$ 0.65
 Weighted average shares outstanding used in the calculations of earnings per share (GAAP and Non-GAAP):		
Basic	204,318	205,388
Diluted	207,816	209,937

JABIL CIRCUIT, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA
RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP MEASURES
(In thousands)
(Unaudited)

**CALCULATION OF RETURN ON INVESTED CAPITAL AND
CORE RETURN ON INVESTED CAPITAL**

The Company calculates (1) "Return on Invested Capital" by annualizing its "after-tax GAAP operating income" for its most recently-ended quarter and dividing that by a two quarter average of its "net invested capital asset base" and (2) "Core Return on Invested Capital" by annualizing its "after-tax non-GAAP core operating income" for its most recently-ended quarter and dividing that by a two quarter average of its "net invested capital asset base."

The Company calculates: (1) its "after-tax GAAP operating income" by subtracting a certain tax effect (the calculation of which is explained below) from its GAAP operating income and (2) its "after-tax non-GAAP core operating income" by subtracting a certain tax effect (the calculation of which is explained below) from its non-GAAP core operating income. See elsewhere in this earnings release for a reconciliation of the Company's non-GAAP core operating income to its GAAP operating income.

The Company calculates "net invested capital asset base" as the sum of the averages (the calculation of which are explained below) of (1) its stockholders' equity, (2) the non-current portion of its notes payable and long term debt and (3) the current portion of its notes payable and long term debt, less the average (the calculation of which is explained below) of its cash and cash equivalents.

The following table reconciles (1) "Return on Invested Capital," as calculated using "after-tax GAAP operating income" to (2) "Core Return on Invested Capital," as calculated using "after-tax non-GAAP core operating income":

	Three months ended November 30, 2012	Three months ended November 30, 2011
Numerator:		
Operating income (GAAP)	\$ 170,281	\$ 170,842
Tax effect (1)	(34,292)	(29,852)
After-tax operating income	<u>135,989</u>	<u>140,990</u>
	x4	X4
Annualized after-tax operating income	<u>\$ 543,956</u>	<u>\$ 563,960</u>
Core Operating Income (Non-GAAP)		
	\$ 192,535	\$ 194,581
Tax effect (2)	(34,602)	(30,204)
After-tax core operating income	<u>157,933</u>	<u>164,377</u>
	x4	X4
Annualized after-tax core operating income	<u>\$ 631,732</u>	<u>\$ 657,508</u>
Denominator:		
Average total Jabil Circuit, Inc. stockholders' equity (3)	\$ 2,089,385	\$ 1,882,810
Average notes payable and long-term debt, less current installments (3)	1,657,192	1,112,560
Average current installments of notes payable and long-term debt (3)	13,841	79,010
Average cash and cash equivalents (3)	(1,123,645)	(875,258)
Net invested capital asset base	<u>\$ 2,636,773</u>	<u>\$ 2,199,122</u>
Return on Invested Capital (GAAP)	20.6%	25.6%
Adjustments noted above	3.4%	4.3%
Core Return on Invested Capital (Non-GAAP)	24.0%	29.9%

- (1) This amount is calculated by adding the amount of income taxes attributable to its operating income (GAAP) and its interest expense.
- (2) This amount is calculated by adding the amount of income taxes attributable to its core operating income (Non-GAAP) and its interest expense.
- (3) The average is based on the addition of the account balance at the end of the most recently-ended quarter to the account balance at the end of the prior quarter and dividing by two.