

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

	<u>May 31,</u> <u>2015</u>	<u>August 31,</u> <u>2014</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 962,794	\$ 1,000,249
Accounts receivable, net	1,208,351	1,208,516
Inventories	2,260,736	2,008,077
Prepaid expenses and other current assets	998,344	1,057,562
Deferred income taxes	72,416	64,944
Assets of discontinued operations	—	19,669
Total current assets	<u>5,502,641</u>	<u>5,359,017</u>
Property, plant and equipment, net	2,593,457	2,271,705
Goodwill and intangible assets, net	658,972	627,700
Deferred income taxes	93,465	92,702
Other assets	116,998	128,622
Total assets	<u>\$ 8,965,533</u>	<u>\$ 8,479,746</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of notes payable, long-term debt and capital lease obligations	\$ 11,365	\$ 12,960
Accounts payable	3,298,917	3,060,814
Accrued expenses	1,410,824	1,235,106
Deferred income taxes	5,436	5,094
Liabilities of discontinued operations	—	7,123
Total current liabilities	<u>4,726,542</u>	<u>4,321,097</u>
Notes payable, long-term debt and capital lease obligations, less current installments	1,659,862	1,669,585
Other liabilities	85,378	79,471
Income tax liabilities	96,197	87,555
Deferred income taxes	66,616	61,670
Total liabilities	<u>6,634,595</u>	<u>6,219,378</u>
Commitments and contingencies		
Equity:		
Jabil Circuit, Inc. stockholders' equity:		
Preferred stock	—	—
Common stock	246	244
Additional paid-in capital	1,936,416	1,874,219
Retained earnings	1,397,187	1,245,772
Accumulated other comprehensive (loss) income	(9,244)	86,962
Treasury stock, at cost	(1,012,945)	(965,369)
Total Jabil Circuit, Inc. stockholders' equity	<u>2,311,660</u>	<u>2,241,828</u>
Noncontrolling interests	19,278	18,540
Total equity	<u>2,330,938</u>	<u>2,260,368</u>
Total liabilities and equity	<u>\$ 8,965,533</u>	<u>\$ 8,479,746</u>

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per share data)
(Unaudited)

	Three months ended		Nine months ended	
	May 31, 2015	May 31, 2014	May 31, 2015	May 31, 2014
Net revenue	\$ 4,358,641	\$ 3,785,875	\$ 13,218,382	\$ 11,705,901
Cost of revenue	3,982,804	3,569,925	12,091,739	10,942,550
Gross profit	375,837	215,950	1,126,643	763,351
Operating expenses:				
Selling, general and administrative	228,476	190,804	653,183	497,796
Research and development	6,997	5,729	19,502	21,387
Amortization of intangibles	5,724	5,679	17,097	18,180
Restructuring and related charges	(782)	12,446	31,833	65,652
Loss on disposal of subsidiaries	—	2,905	—	2,905
Operating income (loss)	135,422	(1,613)	405,028	157,431
Interest and other, net	31,041	32,567	94,670	99,708
Income (loss) from continuing operations before tax	104,381	(34,180)	310,358	57,723
Income tax expense	32,124	18,708	107,186	40,923
Income (loss) from continuing operations, net of tax	72,257	(52,888)	203,172	16,800
Discontinued operations:				
(Loss) income from discontinued operations, net of tax	(1,514)	2,699	(5,224)	21,515
Gain (loss) on sale of discontinued operations, net of tax	1,681	238,497	(875)	229,542
Discontinued operations, net of tax	167	241,196	(6,099)	251,057
Net income	72,424	188,308	197,073	267,857
Net income attributable to noncontrolling interests, net of tax	221	53	756	347
Net income attributable to Jabil Circuit, Inc.	\$ 72,203	\$ 188,255	\$ 196,317	\$ 267,510
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:				
Basic:				
Income (loss) from continuing operations, net of tax	\$ 0.37	\$ (0.26)	\$ 1.05	\$ 0.08
Discontinued operations, net of tax	\$ —	\$ 1.19	\$ (0.03)	\$ 1.23
Net income	\$ 0.37	\$ 0.93	\$ 1.01	\$ 1.31
Diluted:				
Income (loss) from continuing operations, net of tax	\$ 0.37	\$ (0.26)	\$ 1.03	\$ 0.08
Discontinued operations, net of tax	\$ —	\$ 1.19	\$ (0.03)	\$ 1.22
Net income	\$ 0.37	\$ 0.93	\$ 1.00	\$ 1.30
Weighted average shares outstanding:				
Basic	193,785	202,008	193,617	203,995
Diluted	196,304	202,008	195,793	205,699

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine months ended	
	May 31, 2015	May 31, 2014
Cash flows from operating activities:		
Net income	\$ 197,073	\$ 267,857
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	385,136	366,622
Gain on sale of discontinued operations	—	(239,320)
Restructuring and related charges	4,567	30,015
Provision for allowance for doubtful accounts	8,193	15,078
Recognition of stock-based compensation expense and related charges	53,101	8,257
Deferred income taxes	(14,143)	(25,115)
Loss (gain) on sale of property, plant and equipment	10,045	(2,814)
Other, net	9,856	7,786
Change in operating assets and liabilities, exclusive of net assets acquired:		
Accounts receivable	(43,982)	102,708
Inventories	(253,579)	315,254
Prepaid expenses and other current assets	37,687	249,951
Other assets	14,417	(16,892)
Accounts payable, accrued expenses and other liabilities	474,550	(669,999)
Net cash provided by operating activities	<u>882,921</u>	<u>409,388</u>
Cash flows from investing activities:		
Cash paid for business and intangible asset acquisitions, net of cash	(78,007)	—
Proceeds from sale of discontinued operations, net of cash	9,663	544,495
Acquisition of property, plant and equipment	(735,459)	(414,729)
Proceeds from sale of property, plant and equipment	13,187	141,082
Other, net	(6,645)	—
Net cash (used in) provided by investing activities	<u>(797,261)</u>	<u>270,848</u>
Cash flows from financing activities:		
Borrowings under debt agreements	4,723,083	5,171,880
Payments toward debt agreements	(4,731,894)	(5,336,697)
Payments to acquire treasury stock	(40,040)	(129,063)
Dividends paid to stockholders	(47,623)	(52,162)
Treasury stock minimum tax withholding related to vesting of restricted stock	(7,536)	(34,162)
Other, net	8,905	5,738
Net cash used in financing activities	<u>(95,105)</u>	<u>(374,466)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(28,010)</u>	<u>5,123</u>
Net (decrease) increase in cash and cash equivalents	(37,455)	310,893
Cash and cash equivalents at beginning of period	1,000,249	1,011,373
Cash and cash equivalents at end of period	<u>\$ 962,794</u>	<u>\$ 1,322,266</u>

JABIL CIRCUIT, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA
RECONCILIATION OF U.S. GAAP FINANCIAL RESULTS TO NON-U.S. GAAP MEASURES
(in thousands, except for per share data)
(Unaudited)

	Three months ended		Nine months ended	
	May 31, 2015	May 31, 2014	May 31, 2015	May 31, 2014
Operating income (loss) (U.S. GAAP)	\$ 135,422	\$ (1,613)	\$ 405,028	\$ 157,431
Amortization of intangibles	5,724	5,679	17,097	18,180
Stock-based compensation expense and related charges	20,094	14,561	53,106	6,627
Restructuring and related charges	(782)	12,446	31,833	65,652
Distressed customer charges	—	11,371	—	15,113
Loss on disposal of subsidiaries	—	2,905	—	2,905
Core operating income (Non-U.S. GAAP)	<u>\$ 160,458</u>	<u>\$ 45,349</u>	<u>\$ 507,064</u>	<u>\$ 265,908</u>
Net income attributable to Jabil Circuit, Inc. (U.S. GAAP)	\$ 72,203	\$ 188,255	\$ 196,317	\$ 267,510
Amortization of intangibles, net of tax	5,528	5,661	16,893	15,084
Stock-based compensation expense and related charges, net of tax	19,949	14,298	52,471	5,884
Restructuring and related charges, net of tax	(1,029)	9,862	31,172	55,443
Distressed customer charges, net of tax	—	8,889	—	11,234
Acquisition costs and certain purchase accounting adjustments, net of tax	—	—	—	(9,064)
Loss on disposal of subsidiaries, net of tax	—	2,905	—	2,905
Loss (income) from discontinued operations, net of tax	1,514	(2,699)	5,224	(21,515)
(Gain) loss on sale of discontinued operations, net of tax	(1,681)	(238,497)	875	(229,542)
Core earnings (loss) (Non-U.S. GAAP)	<u>\$ 96,484</u>	<u>\$ (11,326)</u>	<u>\$ 302,952</u>	<u>\$ 97,939</u>
Net earnings per share (U.S. GAAP):				
Basic	<u>\$ 0.37</u>	<u>\$ 0.93</u>	<u>\$ 1.01</u>	<u>\$ 1.31</u>
Diluted	<u>\$ 0.37</u>	<u>\$ 0.93</u>	<u>\$ 1.00</u>	<u>\$ 1.30</u>
Core earnings (loss) per share (Non-U.S. GAAP):				
Basic	<u>\$ 0.50</u>	<u>\$ (0.06)</u>	<u>\$ 1.56</u>	<u>\$ 0.48</u>
Diluted	<u>\$ 0.49</u>	<u>\$ (0.06)</u>	<u>\$ 1.55</u>	<u>\$ 0.48</u>
Weighted average shares outstanding used in the calculations of earnings per share (U.S. GAAP and Non-U.S. GAAP):				
Basic	<u>193,785</u>	<u>202,008</u>	<u>193,617</u>	<u>203,995</u>
Diluted	<u>196,304</u>	<u>202,008</u>	<u>195,793</u>	<u>205,699</u>

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

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

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

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

The Company calculates its "average net invested capital asset base" as the sum of the averages (the calculations of which are explained below) of its stockholders' equity, current and non-current portions of its notes payable, long-term debt and capital lease obligations 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 U.S. GAAP operating income" to (2) "Core Return on Invested Capital," as calculated using "after-tax non-U.S. GAAP core operating income":

	Three months ended	
	May 31, 2015	May 31, 2014
Numerator:		
Operating income (loss) (U.S. GAAP)	\$ 135,422	\$ (1,613)
Tax effect ⁽¹⁾	(31,830)	(18,456)
After-tax operating income (loss)	103,592	(20,069)
	x4	x4
Annualized after-tax operating income (loss)	<u>\$ 414,368</u>	<u>\$ (80,276)</u>
Core operating income (Non-U.S. GAAP)	\$ 160,458	\$ 45,349
Tax effect ⁽²⁾	(32,471)	(24,921)
After-tax operating income	127,987	20,428
	x4	x4
Annualized after-tax core operating income	<u>\$ 511,948</u>	<u>\$ 81,712</u>
Denominator:		
Average total Jabil Circuit, Inc. stockholders' equity ⁽³⁾	\$ 2,278,112	\$ 2,352,293
Average notes payable, long-term debt and capital lease obligations, less current installments ⁽³⁾	1,661,320	1,673,922
Average current installments of notes payable, long-term debt and capital lease obligations ⁽³⁾	11,312	115,363
Average cash and cash equivalents ⁽³⁾	(964,604)	(998,698)
Net invested capital asset base	<u>\$ 2,986,140</u>	<u>\$ 3,142,880</u>
Return on Invested Capital (U.S. GAAP)	13.9 %	(2.6) %
Adjustments noted above	3.2 %	5.2 %
Core Return on Invested Capital (Non-U.S. GAAP)	17.1 %	2.6 %

(1) This amount is calculated by adding the amount of income taxes attributable to its operating income (U.S. GAAP) and its interest expense.

(2) This amount is calculated by adding the amount of income taxes attributable to its core operating income (Non-U.S. 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.