

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

	<u>May 31,</u> <u>2003</u>	<u>August 31,</u> <u>2002</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 514,425	\$ 640,735
Accounts receivable, net	723,747	446,879
Inventories	487,174	395,918
Income tax receivable	33,442	49,411
Prepaid expenses and other current assets	54,369	34,128
Deferred income taxes	<u>34,564</u>	<u>21,273</u>
Total current assets	1,847,721	1,588,344
Property, plant and equipment, net	765,559	740,868
Goodwill and intangible assets, net	362,656	194,447
Other assets	<u>23,068</u>	<u>24,247</u>
	<u>\$ 2,999,004</u>	<u>\$ 2,547,906</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current installments of long term debt and capital lease obligations	\$ 353,804	\$ 8,692
Accounts payable	640,868	431,588
Accrued expenses	<u>229,923</u>	<u>153,102</u>
Total current liabilities	1,224,595	593,382
Long term debt and capital lease obligations, less current installments	101,203	354,668
Deferred income taxes	42,140	41,323
Other liabilities	<u>37,647</u>	<u>51,567</u>
Total liabilities	<u>1,405,585</u>	<u>1,040,940</u>
Stockholders' equity		
Common stock	199	198
Additional paid in capital	934,928	926,345
Retained earnings	602,981	580,046
Accumulated other comprehensive income	<u>55,311</u>	<u>377</u>
Total stockholders' equity	<u>1,593,419</u>	<u>1,506,966</u>
	<u>\$ 2,999,004</u>	<u>\$ 2,547,906</u>

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

	Three months ended		Nine months ended	
	May 31, 2003	May 31, 2002	May 31, 2003	May 31, 2002
Net revenue	\$ 1,219,304	\$ 850,602	\$ 3,433,467	\$ 2,557,243
Cost of revenue	<u>1,106,673</u>	<u>766,737</u>	<u>3,118,405</u>	<u>2,318,278</u>
Gross profit	112,631	83,865	315,062	238,965
Operating expenses:				
Selling, general and administrative	62,462	49,404	178,612	148,739
Research and development	2,353	2,074	7,400	5,811
Amortization of intangibles	8,489	3,467	24,356	10,489
Acquisition related charges (1)	3,920	1,068	11,332	3,625
Restructuring and impairment charges (2)	<u>32,863</u>	<u>-</u>	<u>76,350</u>	<u>24,588</u>
Operating income	2,544	27,852	17,012	45,713
Other Income	-	-	(2,600)	-
Interest income	(1,465)	(3,073)	(5,236)	(7,252)
Interest expense	<u>3,862</u>	<u>3,766</u>	<u>11,773</u>	<u>10,014</u>
Income before income taxes	147	27,159	13,075	42,951
Income tax (benefit) expense	<u>(4,319)</u>	<u>6,353</u>	<u>(9,860)</u>	<u>10,068</u>
Net income	<u>\$ 4,466</u>	<u>\$ 20,806</u>	<u>\$ 22,935</u>	<u>\$ 32,883</u>
Earnings per share:				
Basic	<u>\$ 0.02</u>	<u>\$ 0.11</u>	<u>\$ 0.12</u>	<u>\$ 0.17</u>
Diluted	<u>\$ 0.02</u>	<u>\$ 0.10</u>	<u>\$ 0.11</u>	<u>\$ 0.16</u>
Common shares used in the calculation of earnings per share:				
Basic	<u>198,596</u>	<u>197,481</u>	<u>198,306</u>	<u>197,239</u>
Diluted	<u>202,132</u>	<u>200,997</u>	<u>201,404</u>	<u>200,863</u>

(1) During the quarter ended May 31, 2003, we recorded acquisition related charges of \$3.9 million (\$2.5 million after-tax) primarily in connection with the acquisitions of certain operations of Royal Philips Electronics. During the quarter ended May 31, 2002, we recorded acquisition related charges of \$1.1 million (\$0.7 million after-tax) in connection with the announced acquisitions of certain operations of Compaq Computer Corporation, Alcatel Business Systems and Valeo. During the nine months ended May 31, 2003, we recorded acquisition related charges of \$11.3 million (\$7.1 million after-tax) 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. During the nine months ended May 31, 2002, we recorded acquisition related charges of \$3.6 million (\$2.3 million after-tax) in connection with the acquisition of certain operations of Marconi Communications and the announced acquisitions of certain operations of Compaq Computer Corporation, Alcatel Business Systems and Valeo.

(2) We recorded charges of \$32.9 million (\$23.9 million after-tax) and zero related to the restructuring of our business and the disposition of certain fixed assets during the quarters ended May 31, 2003 and May 31, 2002, respectively. We recorded charges of \$76.4 million and \$24.6 million (\$52.4 million after-tax and \$17.9 million after-tax, respectively) related to the restructuring of our business during the nine months ended May 31, 2003 and May 31, 2002, respectively.

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		Nine months ended	
	May 31, 2003	May 31, 2002	May 31, 2003	May 31, 2002
Net Income (GAAP)	\$ 4,466	\$ 20,806	\$ 22,935	\$ 32,883
Amortization of intangibles, net of tax	7,257	2,936	20,473	8,846
Acquisition related charges, net of tax (1)	2,491	663	7,143	2,270
Restructuring and impairment charges, net of tax (2)	23,938	-	52,419	17,874
Other income, net of tax	-	-	(1,622)	-
Core earnings (Non-GAAP)	<u>\$ 38,152</u>	<u>\$ 24,405</u>	<u>\$ 101,348</u>	<u>\$ 61,873</u>
Earnings per share: (GAAP)				
Basic	<u>\$ 0.02</u>	<u>\$ 0.11</u>	<u>\$ 0.12</u>	<u>\$ 0.17</u>
Diluted	<u>\$ 0.02</u>	<u>\$ 0.10</u>	<u>\$ 0.11</u>	<u>\$ 0.16</u>
Core earnings per share: (Non-GAAP)				
Basic	<u>\$ 0.19</u>	<u>\$ 0.12</u>	<u>\$ 0.51</u>	<u>\$ 0.31</u>
Diluted	<u>\$ 0.19</u>	<u>\$ 0.12</u>	<u>\$ 0.50</u>	<u>\$ 0.31</u>
Common shares used in the calculation of core earnings: (Non-GAAP)				
Basic	<u>198,596</u>	<u>197,481</u>	<u>198,306</u>	<u>197,239</u>
Diluted	<u>202,132</u>	<u>200,997</u>	<u>201,404</u>	<u>200,863</u>
Operating income (GAAP)	\$ 2,544	\$ 27,852	\$ 17,012	\$ 45,713
Amortization of intangibles	8,489	3,467	24,356	10,489
Acquisition related charges (1)	3,920	1,068	11,332	3,625
Restructuring and impairment charges (2)	32,863	-	76,350	24,588
Core operating income (Non-GAAP)	<u>\$ 47,816</u>	<u>\$ 32,387</u>	<u>\$ 129,050</u>	<u>\$ 84,415</u>

(1) During the quarter ended May 31, 2003, we recorded acquisition related charges of \$3.9 million (\$2.5 million after-tax) primarily in connection with the acquisitions of certain operations of Royal Philips Electronics. During the quarter ended May 31, 2002, we recorded acquisition related charges of \$1.1 million (\$0.7 million after-tax) in connection with the announced acquisitions of certain operations of Compaq Computer Corporation, Alcatel Business Systems and Valeo. During the nine months ended May 31, 2003, we recorded acquisition related charges of \$11.3 million (\$7.1 million after-tax) 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. During the nine months ended May 31, 2002, we recorded acquisition related charges of \$3.6 million (\$2.3 million after-tax) in connection with the acquisition of certain operations of Marconi Communications and the announced acquisitions of certain operations of Compaq Computer Corporation, Alcatel Business Systems and Valeo.

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