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Jabil Circuit Reports Fiscal Year 2000 Third Quarter Results

Record Earnings Increase 50 Percent

15 June 2000
St. Petersburg, Florida

[Forward - Looking Statement](#)

Electronics manufacturing services provider Jabil Circuit, Inc. (NYSE: JBL) today reported record revenue for the third fiscal quarter of 2000, ended May 31, 2000. Revenue for the quarter increased 66 percent to \$965.8 million compared to \$582.2 million for the same period of fiscal 1999.

Jabil's fiscal 2000 third quarter net income increased 55 percent to \$38.2 million compared with \$24.6 million for the third quarter of fiscal 1999. Third quarter earnings per share were \$0.21 per diluted share, representing a 50 percent increase compared to fiscal 1999 earnings of \$0.14 per diluted share. This excludes the impact of a goodwill write-off of approximately \$4 million, or \$0.02 per diluted share recorded in the third quarter of fiscal 1999.

Gross profit for fiscal 2000 third quarter increased 48 percent to \$94.5 million or 9.8 percent of revenue compared to \$63.8 million or 11.0 percent of revenue for the corresponding quarter of fiscal 1999.

Operating income for the third fiscal quarter of 2000 increased 49 percent to \$58.4 million or 6.0 percent of revenue compared to \$39.2 million or 6.7 percent of revenue for the third fiscal quarter of 1999.

Revenues for the first nine months of fiscal year 2000 increased 52 percent to \$2.5 billion, compared to \$1.6 billion for the same time period of fiscal 1999. Net income for the first nine months of fiscal 2000 increased 54 percent to \$103.3 million, compared with \$66.9 million last fiscal year. Diluted earnings per share for the first nine months of fiscal 2000 increased 43.6 percent to \$0.56 compared to \$0.39 for the same period of fiscal 1999. This excludes the impact of a goodwill write-off of approximately \$4 million, or \$0.02 per diluted share recorded in the third fiscal quarter of 1999 and an acquisition-related charge of approximately \$5 million, or \$0.02 per diluted share recorded in the first quarter of fiscal 2000.

Income Statement -- Sequential Trend Highlights

- | Revenue in the third fiscal quarter increased by 15 percent from the second quarter, reflecting solid production levels in most business segments.
- | Gross margin was 9.8 percent of revenue for the quarter, reflecting an increase in production with a more materials-intensive mix.
- | Operating income increased sequentially by 15 percent to \$58.4 million, or 6.0 percent of revenue. Operating results represent a cumulative operating income growth of 49 percent in the first nine months of the fiscal year - surpassing the company's annual goal of 30 percent. Growth of absolute operating income is Jabil's key financial objective. This excludes the impact of an acquisition-related charge of approximately \$4 million, or \$0.02 per diluted share recorded in the third fiscal quarter of 1999 and approximately \$5 million, or \$0.02 per diluted share recorded in the first quarter of fiscal 2000.
- | Net income after tax was \$38.2 million or 4.0 percent of revenue, compared to 4.1 percent in the prior sequential quarter.
- | Earnings per share for third fiscal quarter of 2000 were \$0.21 on an average 185 million shares during the period, fully diluted.

Balance Sheet -- Sequential Trend Highlights

- | Accounts receivable increased by \$58 million to \$437 million at the end of the third quarter of fiscal 2000, as compared to \$379 million at the end of the second quarter. Calculated days sales outstanding were 40, an improvement from 41 in the second quarter.
- | Inventories increased by \$57 million in the third quarter to \$410 million, compared to \$353 million as of the end of February. Calculated inventory turns were 9, consistent with the prior quarter.
- | Debt-to-capitalization ratio for the period was 24 percent.
- | Average return on assets for the period was 11 percent.

┆ Average return on equity for the period was 23 percent.

Business Outlook

Jabil President Tim Main said, " We are delighted with the continued strength of our core organic growth engine and with the committed efforts of our employees worldwide. Growth at this pace is challenging and we thank our customers and congratulate our employees and suppliers for accomplishing another record quarter. We see continued growth on the horizon and will support this growth through plant expansions and selective acquisitions."

About Jabil

Jabil Circuit, Inc. is an electronic manufacturing services provider for international electronics companies in the communications, personal computer, peripheral, consumer and automotive markets. Jabil offers circuit design, board design from schematic, mechanical and production design, prototype assembly, volume board assembly and system assembly services from eight countries, serving markets in North and South America, Europe and Asia.

This release contains certain forward-looking statements, which are subject to a number of risks and uncertainties. Some factors that could cause actual results to differ materially include: business conditions and growth in the contract manufacturing industry and the general economy; variability of operating results; dependence on a limited number of customers; limited availability of components; dependence on certain industries; variability of customer requirements; and other risk factors described in the company's most recently filed SEC documents such as the Form 10-K, filed 11/12/99.