

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	<u>August 31,</u> <u>2012 (Unaudited)</u>	<u>August 31,</u> <u>2011</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,217,256	\$ 888,611
Accounts receivable, net	1,125,015	1,100,926
Inventories	2,268,949	2,227,339
Prepaid expenses and other current assets	989,326	868,892
Income taxes receivable	10,949	33,855
Deferred income taxes	27,833	15,737
Total current assets	<u>5,639,328</u>	<u>5,135,360</u>
Property, plant and equipment, net	1,779,155	1,641,335
Goodwill and intangible assets, net	214,071	125,305
Deferred income taxes	73,411	74,989
Income taxes receivable	15,651	-
Other assets	81,525	80,951
Total assets	<u>\$ 7,803,141</u>	<u>\$ 7,057,940</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of notes payable and long-term debt	\$ 18,031	\$ 74,160
Accounts payable	2,992,865	2,885,168
Accrued expenses	808,480	892,391
Income taxes payable	35,665	32,987
Deferred income taxes	3,955	5,182
Total current liabilities	<u>3,858,996</u>	<u>3,889,888</u>
Notes payable and long-term debt, less current installments	1,658,326	1,112,594
Other liabilities	85,714	67,423
Income tax liability	68,525	88,451
Deferred income taxes	24,245	15,761
Total liabilities	<u>5,695,806</u>	<u>5,174,117</u>
Commitments and contingencies		
Equity:		
Jabil Circuit, Inc. stockholders' equity		
Common stock	232	225
Additional paid-in capital	1,752,847	1,649,431
Retained earnings	766,934	441,793
Accumulated other comprehensive income	106,275	194,706
Treasury stock, at cost	(521,231)	(419,035)
Total Jabil Circuit, Inc. stockholders' equity	<u>2,105,057</u>	<u>1,867,120</u>
Noncontrolling interests	<u>2,278</u>	<u>16,703</u>
Total equity	<u>2,107,335</u>	<u>1,883,823</u>
Total liabilities and equity	<u>\$ 7,803,141</u>	<u>\$ 7,057,940</u>

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

(In thousands, except for per share data)

(Unaudited)

	Three months ended		Twelve months ended	
	August 31, 2012	August 31, 2011	August 31, 2012	August 31, 2011
Net revenue	\$ 4,338,080	\$ 4,280,295	\$ 17,151,941	\$ 16,518,827
Cost of revenue	4,020,532	3,951,092	15,842,896	15,264,257
Gross profit	317,548	329,203	1,309,045	1,254,570
Operating expenses:				
Selling, general and administrative	163,070	152,204	644,452	590,572
Research and development	6,784	6,209	25,837	25,034
Amortization of intangibles	3,426	5,230	16,825	22,051
Restructuring and impairment charges	-	-	-	628
Settlement of receivables and related charges	-	-	-	13,607
Loss on disposal of subsidiaries	-	-	-	23,944
Operating income	144,268	165,560	621,931	578,734
Interest and other, net	29,804	24,527	113,031	97,547
Income before income tax	114,464	141,033	508,900	481,187
Income tax expense	31,999	25,492	112,811	98,229
Net income	82,465	115,541	396,089	382,958
Net income (loss) attributable to noncontrolling interests, net of income tax expense	(332)	1,253	1,402	1,895
Net income attributable to Jabil Circuit, Inc.	<u>\$ 82,797</u>	<u>\$ 114,288</u>	<u>\$ 394,687</u>	<u>\$ 381,063</u>
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:				
Basic	<u>\$ 0.40</u>	<u>\$ 0.54</u>	<u>\$ 1.91</u>	<u>\$ 1.78</u>
Diluted	<u>\$ 0.39</u>	<u>\$ 0.52</u>	<u>\$ 1.87</u>	<u>\$ 1.73</u>
Weighted average shares outstanding:				
Basic	<u>205,666</u>	<u>212,753</u>	<u>206,160</u>	<u>214,502</u>
Diluted	<u>210,847</u>	<u>219,494</u>	<u>211,181</u>	<u>220,719</u>

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

	Twelve months ended	
	August 31, 2012	August 31, 2011
Cash flows from operating activities:		
Net income	\$ 396,089	\$ 382,958
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	353,492	319,179
Recognition of stock-based compensation expense.....	81,405	76,230
Settlement of receivables and related charges	—	12,673
Loss on disposal of subsidiaries	—	23,944
Other, net	15,477	12,804
Change in operating assets and liabilities, exclusive of net assets acquired:		
Accounts receivable	(22,626)	48,232
Inventories	(53,268)	(158,545)
Prepaid expenses and other current assets	(141,526)	(212,265)
Other assets	(2,745)	3,205
Accounts payable and accrued expenses	21,955	305,814
Income taxes payable	(14,027)	13,780
Net cash provided by operating activities	<u>634,226</u>	<u>828,009</u>
Cash flows from investing activities:		
Cash paid for business and intangible asset acquisitions, net of cash acquired.....	(125,098)	3,985
Acquisition of property, plant and equipment	(497,697)	(458,989)
Proceeds from sale of property, plant and equipment	16,408	23,483
Proceeds from disposal of available for sale investments	—	5,800
Cost of receivables acquired, net of cash collections	517	(557)
Net cash used in investing activities	<u>(605,870)</u>	<u>(426,278)</u>
Cash flows from financing activities:		
Payments toward debt agreements	(8,748,420)	(7,586,754)
Borrowings under debt agreements	9,233,414	7,572,157
Dividends paid to stockholders	(65,240)	(60,411)
Dividends paid to noncontrolling interest	(333)	—
Net proceeds from exercise of stock options and issuance of common stock under employee stock purchase plan	26,003	31,644
Payments to acquire treasury stock	(70,991)	(200,226)
Treasury stock minimum tax withholding related to vesting of restricted stock	(31,205)	(9,763)
Debt issuance costs	(6,254)	(14,549)
Excess tax benefit related to stock awards	885	180
Cash paid to purchase noncontrolling interest.....	(20,501)	—
Net cash provided by (used in) financing activities	<u>317,358</u>	<u>(267,722)</u>
Effect of exchange rate changes on cash and cash equivalents.....	(17,069)	10,273
Net increase in cash and cash equivalents	328,645	144,282
Cash and cash equivalents at beginning of fiscal year.....	888,611	744,329
Cash and cash equivalents at end of fiscal year	<u><u>1,217,256</u></u>	<u><u>888,611</u></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		Twelve months ended	
	August 31, 2012	August 31, 2011	August 31, 2012	August 31, 2011
Operating income (GAAP)	\$ 144,268	\$ 165,560	\$ 621,931	\$ 578,734
Amortization of intangibles	3,426	5,230	16,825	22,051
Distressed customer charge	5,865	-	16,014	-
Stock-based compensation and related charges	21,552	16,376	81,409	76,230
Restructuring and impairment charges	-	-	-	628
Loss on disposal of subsidiaries	-	-	-	23,944
Settlement of receivables and related charges	-	-	-	13,607
Core operating income (Non-GAAP)	\$ 175,111	\$ 187,166	\$ 736,179	\$ 715,194
Net income attributable to Jabil Circuit, Inc. (GAAP)	\$ 82,797	\$ 114,288	\$ 394,687	\$ 381,063
Amortization of intangibles, net of tax	3,327	5,213	16,425	21,998
Distressed customer charge, net of tax	5,865	-	16,014	-
Stock-based compensation and related charges, net of tax	21,329	16,790	79,985	75,068
Restructuring and impairment charges, net of tax	-	-	-	628
Loss on disposal of subsidiaries, net of tax	-	-	-	23,944
Settlement of receivables and related charges, net of tax	-	-	-	13,607
Core earnings (Non-GAAP)	\$ 113,318	\$ 136,291	\$ 507,111	\$ 516,308
Earnings per share: (GAAP)				
Basic	\$ 0.40	\$ 0.54	\$ 1.91	\$ 1.78
Diluted	\$ 0.39	\$ 0.52	\$ 1.87	\$ 1.73
Core earnings per share: (Non-GAAP)				
Basic	\$ 0.55	\$ 0.64	\$ 2.46	\$ 2.41
Diluted	\$ 0.54	\$ 0.62	\$ 2.40	\$ 2.34
Weighted average shares outstanding used in the calculations of earnings per share (GAAP and Non-GAAP):				
Basic	205,666	212,753	206,160	214,502
Diluted	210,847	219,494	211,181	220,719

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 August 31, 2012	Twelve months ended August 31, 2012
Numerator:		
Operating income (GAAP)	\$ 144,268	\$ 621,931
Tax effect (1)	(32,552)	(114,341)
After-tax operating income	111,716	507,590
	x4	x1
Annualized after-tax operating income	<u>\$ 446,864</u>	<u>\$ 507,590</u>
Core Operating Income (Non-GAAP)		
	\$ 175,111	\$ 736,179
Tax effect (2)	(32,761)	(115,905)
After-tax core operating income	142,350	620,274
	x4	x1
Annualized after-tax core operating income	<u>\$ 569,400</u>	<u>\$ 620,274</u>
Denominator:		
Average total Jabil Circuit, Inc. stockholders' equity (3)	\$ 2,059,312	\$ 1,986,089
Average notes payable and long-term debt, less current installments (3)	1,399,240	1,385,460
Average current installments of notes payable and long-term debt (3)	157,225	46,096
Average cash and cash equivalents (3)	(979,693)	(1,052,934)
Net invested capital asset base	<u>\$ 2,636,084</u>	<u>\$ 2,364,711</u>
Return on Invested Capital (GAAP)	17.0%	21.5%
Adjustments noted above	4.6%	4.7%
Core Return on Invested Capital (Non-GAAP)	21.6%	26.2%

- (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 for the three months ended August 31, 2012 and dividing by two. The average is based on the addition of the account balance at the end of the most recently-ended fiscal year to the account balance at the end of the prior fiscal year for the twelve months ended August 31, 2012 and dividing by two.