

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

	<u>May 31, 2013 (Unaudited)</u>	<u>August 31, 2012</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,351,726	\$ 1,217,256
Accounts receivable, net	1,008,106	1,125,015
Inventories	2,356,304	2,268,949
Prepaid expenses and other current assets	1,044,557	989,326
Income taxes receivable.....	11,988	10,949
Deferred income taxes	<u>35,508</u>	<u>27,833</u>
 Total current assets	 5,808,189	 5,639,328
Property, plant and equipment, net	1,939,848	1,779,155
Goodwill and intangible assets, net	214,382	214,071
Deferred income taxes	95,734	73,411
Other assets.....	<u>75,331</u>	<u>97,176</u>
 Total assets	 <u>\$ 8,133,484</u>	 <u>\$ 7,803,141</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of notes payable and long-term debt	\$ 9,459	\$ 18,031
Accounts payable.....	3,085,848	2,992,865
Accrued expenses	954,488	808,480
Income taxes payable.....	33,178	35,665
Deferred income taxes	<u>6,600</u>	<u>3,955</u>
 Total current liabilities.....	 4,089,573	 3,858,996
Notes payable and long-term debt, less current installments.....	1,651,359	1,658,326
Other liabilities	78,265	85,714
Income tax liabilities	81,558	68,525
Deferred income taxes	<u>25,710</u>	<u>24,245</u>
 Total liabilities	 <u>5,926,465</u>	 <u>5,695,806</u>
Commitments and contingencies		
Equity:		
Jabil Circuit, Inc. stockholders' equity:		
Preferred stock.....	—	—
Common stock.....	237	232
Additional paid-in capital	1,816,335	1,752,847
Retained earnings	961,160	766,934
Accumulated other comprehensive income	98,616	106,275
Treasury stock, at cost	<u>(670,761)</u>	<u>(521,231)</u>
 Total Jabil Circuit, Inc. stockholders' equity.....	 <u>2,205,587</u>	 <u>2,105,057</u>
Noncontrolling interests	<u>1,432</u>	<u>2,278</u>
 Total equity	 <u>2,207,019</u>	 <u>2,107,335</u>
 Total liabilities and equity	 <u>\$ 8,133,484</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		Nine months ended	
	May 31, 2013	May 31, 2012	May 31, 2013	May 31, 2012
Net revenue	\$ 4,467,767	\$ 4,250,918	\$ 13,522,036	\$ 12,813,861
Cost of revenue	4,135,272	3,921,595	12,514,419	11,822,364
Gross profit	332,495	329,323	1,007,617	991,497
Operating expenses:				
Selling, general and administrative	164,813	162,748	498,773	481,382
Research and development	6,475	6,518	21,393	19,053
Amortization of intangibles	3,472	3,454	10,394	13,399
Restructuring and related charges	28,392	—	28,392	—
Impairment of notes receivable and related charges.....	25,597	—	25,597	—
Operating income.....	103,746	156,603	423,068	477,663
Interest and other, net.....	31,850	27,628	92,827	83,227
Income before income tax.....	71,896	128,975	330,241	394,436
Income tax expense.....	22,268	27,377	86,940	80,812
Net income.....	49,628	101,598	243,301	313,624
Net (loss) income attributable to noncontrolling interests, net of income tax expense.....	(455)	278	(1,162)	1,734
Net income attributable to Jabil Circuit, Inc.	\$ 50,083	\$ 101,320	\$ 244,463	\$ 311,890
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:				
Basic	\$ 0.25	\$ 0.49	\$ 1.20	\$ 1.51
Diluted	\$ 0.24	\$ 0.48	\$ 1.18	\$ 1.47
Weighted average shares outstanding:				
Basic	202,648	206,298	203,142	206,326
Diluted	207,569	211,541	207,540	211,749

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

(In thousands)
(Unaudited)

	Nine months ended	
	May 31, 2013	May 31, 2012
Cash flows from operating activities:		
Net income	\$ 243,301	\$ 313,624
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	295,710	262,186
Recognition of stock-based compensation expense.....	52,201	59,857
Deferred income taxes.....	(28,635)	(10,573)
Impairment of notes receivable and related charges.....	25,597	—
Other, net	6,708	17,532
Changes in operating assets and liabilities, exclusive of net assets acquired:		
Accounts receivable	113,134	(22,634)
Inventories	(85,855)	(162,076)
Prepaid expenses and other current assets	(59,259)	(201,715)
Other assets	(1,497)	(3,302)
Accounts payable and accrued expenses	239,209	(52,439)
Income taxes payable	9,067	(8,933)
Net cash provided by operating activities	<u>809,681</u>	<u>191,527</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(452,993)	(291,792)
Proceeds from sale of property, plant and equipment	11,274	12,555
Cash paid for business and intangible asset acquisitions, net of cash acquired.....	(9,662)	(125,098)
Cost of receivables acquired, net of cash collections	—	517
Investments in non-marketable equity securities	(2,942)	—
Net cash used in investing activities	<u>(454,323)</u>	<u>(403,818)</u>
Cash flows from financing activities:		
Borrowings under debt agreements	3,169,401	7,033,854
Payments towards debt agreements.....	(3,184,810)	(6,783,726)
Payments to acquire treasury stock	(129,262)	(70,991)
Dividends paid to stockholders	(51,743)	(48,716)
Dividends paid to noncontrolling interest	—	(333)
Net proceeds from exercise of stock options and issuance of common stock under employee stock purchase plan	10,899	18,576
Treasury stock minimum tax withholding related to vesting of restricted stock	(20,268)	(31,181)
Debt issuance costs	—	(5,014)
Excess tax benefit related to stock awards	330	750
Capital contribution to noncontrolling interest	316	—
Cash paid to purchase noncontrolling interest.....	—	(20,501)
Net cash (used in) provided by financing activities	<u>(205,137)</u>	<u>92,718</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(15,751)</u>	<u>(26,909)</u>
Net increase (decrease) in cash and cash equivalents	134,470	(146,482)
Cash and cash equivalents at beginning of period	1,217,256	888,611
Cash and cash equivalents at end of period	<u>\$ 1,351,726</u>	<u>\$ 742,129</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		Nine months ended	
	May 31, 2013	May 31, 2012	May 31, 2013	May 31, 2012
Operating income (GAAP)	\$ 103,746	\$ 156,603	\$ 423,068	\$ 477,663
Amortization of intangibles	3,472	3,454	10,394	13,399
Distressed customer charge	—	10,149	—	10,149
Stock-based compensation and related charges	15,688	20,123	52,201	59,857
Restructuring and related charges	28,392	—	28,392	—
Impairment of notes receivable and related charges	25,597	—	25,597	—
Core operating income (Non-GAAP)	\$ 176,895	\$ 190,329	\$ 539,652	\$ 561,068
Net income attributable to Jabil Circuit, Inc. (GAAP)	\$ 50,083	\$ 101,320	\$ 244,463	\$ 311,890
Amortization of intangibles, net of tax	3,186	3,180	9,837	13,099
Distressed customer charge	—	10,149	—	10,149
Stock-based compensation and related charges, net of tax	16,042	19,792	52,115	58,656
Restructuring and related charges, net of tax	26,574	—	26,574	—
Impairment of notes receivable and related charges, net of tax	19,747	—	19,747	—
Core earnings (Non-GAAP)	\$ 115,632	\$ 134,441	\$ 352,736	\$ 393,794
Earnings per share: (GAAP)				
Basic	\$ 0.25	\$ 0.49	\$ 1.20	\$ 1.51
Diluted	\$ 0.24	\$ 0.48	\$ 1.18	\$ 1.47
Core earnings per share: (Non-GAAP)				
Basic	\$ 0.57	\$ 0.65	\$ 1.74	\$ 1.91
Diluted	\$ 0.56	\$ 0.64	\$ 1.70	\$ 1.86
Weighted average shares outstanding used in the calculations of earnings per share (GAAP and Non-GAAP):				
Basic	202,648	206,298	203,142	206,326
Diluted	207,569	211,541	207,540	211,749

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) its "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) its "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 calculations 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	
	May 31, 2013	May 31, 2012
Numerator:		
Operating income (GAAP)	\$ 103,746	\$ 156,603
Tax effect (1)	(22,620)	(27,625)
After-tax operating income	81,126	128,978
	x4	x4
Annualized after-tax operating income	\$ 324,504	\$ 515,912
Core operating income (Non-GAAP)	\$ 176,895	\$ 190,329
Tax effect (2)	(30,101)	(28,183)
After-tax core operating income	146,794	162,146
	x4	x4
Annualized after-tax core operating income	\$ 587,176	\$ 648,584
Denominator:		
Average total Jabil Circuit, Inc. stockholders' equity (3)	\$ 2,190,845	\$ 2,007,199
Average notes payable and long-term debt, less current installments (3)	1,652,534	1,126,315
Average current installments of notes payable and long-term debt (3)	59,529	289,010
Average cash and cash equivalents (3)	(1,206,691)	(724,740)
Net invested capital asset base	\$ 2,696,217	\$ 2,697,784
Return on Invested Capital (GAAP)	12.0%	19.1%
Adjustments noted above	9.8%	4.9%
Core Return on Invested Capital (Non-GAAP)	21.8%	24.0%

- (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.