



March 25, 2008

## Jabil Reports Second Quarter Results

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Second Quarter 2008](#)

[Forward - Looking Statement](#)

**St. Petersburg, FL - March 25, 2008...**Jabil Circuit, Inc. (NYSE: JBL), today reported its preliminary, unaudited financial results for its second quarter of fiscal year 2008, ended February 29, 2008. "We are pleased with the results from our second quarter, where our employees pulled together in a challenging operating environment. Thanks to their efforts, we were able to meet our expectations for the quarter and generate \$134 million in cash from operations," said President and CEO Timothy L. Main.

*(Definitions used: "GAAP" means generally accepted accounting principles in the United States of America. Jabil defines core operating income as GAAP operating income before amortization of intangibles, stock-based compensation expense and related charges, acquisition-related charges and restructuring and impairment charges. Jabil defines core operating margin as core operating income divided by net revenue. Jabil defines core earnings as GAAP net income before amortization of intangibles, stock-based compensation expense and related charges, acquisition-related charges, restructuring and impairment charges and certain other income/loss, net of tax. Jabil defines core earnings per share as core earnings divided by the weighted average number of outstanding shares determined under GAAP. Jabil reports core operating income, core earnings and core earnings per share to provide investors with an alternative method for assessing operating income, earnings and earnings per share from what it believes are its core manufacturing operations. See the accompanying reconciliation of Jabil's core operating income to its GAAP operating income and Jabil's core earnings and core earnings per share to its GAAP net income and GAAP earnings per share and additional information in the supplemental information.)*

### Second Quarter 2008

Net revenue for the second quarter of fiscal 2008 increased four percent to \$3.1 billion compared to \$ 2.9 billion for the same period of fiscal 2007.

GAAP operating income for the second quarter of fiscal 2008 decreased 96 percent to \$1.6 million compared to \$36.7 million for the same period of fiscal 2007. GAAP net income for the second quarter of fiscal 2008 decreased 273 percent to a loss of \$24.0 million compared to \$13.9 million of net income for the same period in fiscal 2007. GAAP diluted earnings per share for the second quarter of fiscal 2008 decreased 271 percent to a loss per share of \$0.12 compared to \$0.07 of earnings per share for the same period of fiscal 2007. The GAAP income decline was principally due to restructuring charges which were approximately \$41 million higher than the comparative period.

Jabil's second quarter of fiscal 2008 core operating income increased 22 percent to \$67.8 million or 2.2 percent of net revenue compared to \$55.6 million or 1.9 percent of net revenue for the second quarter of fiscal 2007. Core earnings increased 48 percent to \$42.0 million compared to \$28.4 million for the second quarter of fiscal 2007. Core earnings per share increased 43 percent to \$0.20 per diluted share for the period compared to \$0.14 for the second quarter of fiscal 2007.

### Year-Over-Year Operational and Balance Sheet Highlights

- | GAAP operating margin decreased 96 percent. Core operating margin improved 22 percent.
- | GAAP earnings decreased \$0.19 per fully diluted share. Core earnings increased \$0.06 per fully diluted share.
- | Cash flow from operations for the quarter was approximately \$134 million compared to zero for the same period of fiscal 2007.
- | Sales cycle was 23 days for the second quarter of fiscal 2008.
- | Annualized inventory turns remained constant at eight turns for the second quarter of fiscal 2008.
- | Capital expenditures for the second quarter of fiscal 2008 were approximately \$87 million.
- | Depreciation for the second quarter of fiscal 2008 was approximately \$58 million.
- | Cash and cash equivalent balances were \$531 million at the end of the second fiscal quarter.
- | Core Return on Invested Capital was eight percent for the second quarter of fiscal 2008.
- | A \$0.07 dividend was paid on March 3, 2008.

## **Business Update**

"We expect revenue in the second half of fiscal 2008 to be consistent with the first half of the year, resulting in a year of modest growth but below our previous expectations. It appears the slowdown in end markets will reduce our growth rate and impede margin expansion for the next quarter or two. However, we continue to win new business and will stay focused on margin expansion, free cash flow and returns on capital," said Main.

The company expects third fiscal quarter of 2008 net revenue in a range of \$3.05 billion to \$3.15 billion, with an estimated core operating margin range of 2.3 to 2.6 percent. Jabil said its core earnings per share for its third quarter of fiscal 2008 are anticipated to be in a range of \$0.18 to \$0.22 per diluted share. GAAP earnings per share are estimated to be \$0.09 to \$0.13 per diluted share. (Expected GAAP earnings per share for the third quarter of fiscal 2008 are currently estimated to include \$0.03 per share for amortization of intangibles and \$0.06 per share for stock-based compensation and related charges.)

Jabil said it expects fiscal year 2008 net revenue to range from \$12.6 billion to \$12.8 billion, with full year core operating income estimated to range from 2.8 percent to 3.1 percent or \$355 million to \$395 million. The company said its core earnings per share are estimated to be \$1.00 to \$1.16 per diluted share. GAAP earnings per share are estimated to be \$0.46 to \$0.62 per diluted share. (Expected GAAP earnings per share for fiscal 2008 are currently estimated to include \$0.13 per share for amortization of intangibles, \$0.19 per share for stock-based compensation and related charges and \$0.22 per share for restructuring and impairment charges.)

## **Supplemental Information**

The financial results disclosed in this release include certain measures calculated and presented in accordance with GAAP. In addition to the GAAP financial measures, Jabil provides supplemental, non-GAAP financial measures to facilitate evaluation of Jabil's core operating performance. The non-GAAP financial measures disclosed in this release exclude certain amounts that are included in the most directly comparable GAAP measures. The non-GAAP or core financial measures disclosed in this release do not have standard meanings and may vary from the non-GAAP financial measures used by other companies. Management believes core financial measures (which exclude the effects of the amortization of intangibles, stock-based compensation expense and related charges, acquisition-related charges, restructuring and impairment charges and certain other income/loss) are a useful measure that facilitates evaluating the past and future performance of Jabil's ongoing operations on a comparable basis. Jabil reports core operating income, core operating margin, core earnings and core earnings per share to provide investors with an alternative method for assessing operating income, earnings and earnings per share from what it believes are its core manufacturing operations. Included in this release is a Condensed Consolidated Statement of Earnings as well as a reconciliation of the disclosed core financial measures to the most directly comparable GAAP financial measures.

## **Company Conference Call Information**

Jabil will hold a conference call to discuss the second fiscal quarter 2008 earnings today at 4:30 p.m. EDT live on the Internet at <http://jabil.com>. The earnings conference call will be recorded and archived for playback on the web at <http://jabil.com>. A taped replay of the conference call will also be available March 25, 2008 at approximately 7:30 p.m. EDT through midnight on April 1, 2008. To access the replay, call (800) 642-1687 from within the United States, or (706) 645-9291 outside the United States. The pass code is 39966307. An archived webcast of the conference call will be available at <http://jabil.com/investors/>.

## **About Jabil**

Jabil is an electronic product solutions company providing comprehensive electronics design, manufacturing and product management services to global electronics and technology companies. Jabil helps bring electronics products to the market faster and more cost effectively by providing complete product supply chain management around the world. With approximately 75,000 employees and facilities in 20 countries, Jabil provides comprehensive, individualized-focused solutions to customers in a broad range of industries. Jabil common stock is traded on the New York Stock Exchange under the symbol, "JBL". Further information is available on the company's website: [jabil.com](http://jabil.com).

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