



June 19, 2012

## Jabil Posts Third Quarter Results

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Third Quarter 2012](#)

[Forward - Looking Statement](#)

**St. Petersburg, FL - June 19, 2012...** Jabil Circuit, Inc. (NYSE: JBL), today reported preliminary, unaudited third quarter net revenue of \$4.3 billion for fiscal year 2012. "We are pleased to post core EBITDA margins of 6.5 percent in the quarter, our highest level since 2005. Core operating margins also expanded to 4.5 percent," said Timothy L. Main, President and CEO of Jabil. "This is particularly gratifying during a period of more subdued revenue growth for the company overall."

Revenue from Diversified Manufacturing Services increased to \$1.9 billion, a 22 percent year over year increase, and accounted for 44 percent of total revenue in the third fiscal quarter of 2012.

Jabil's High Velocity business represented 25 percent of total revenue and its Enterprise & Infrastructure business accounted for 31 percent of the quarter's revenue.

*(Definitions used: "GAAP" means U.S. generally accepted accounting principles. Jabil defines core operating income as GAAP operating income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customer charges, settlement of receivables and related charges and loss on disposal of subsidiaries. Jabil calculates core operating margin as core operating income divided by net revenue. Jabil defines its core EBITDA margin as core operating income before depreciation expense divided by net revenue. Jabil defines core earnings as GAAP net income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customer charges, settlement of receivables and related charges, loss on disposal of subsidiaries, certain other expenses, net of tax and certain deferred tax valuation allowance charges. Jabil defines core earnings per share as core earnings divided by the weighted average number of outstanding shares determined under GAAP. Jabil calculates core return on invested capital by annualizing its after-tax core operating income for its most recently-ended quarter and dividing that by a two quarter average net invested capital base. Jabil reports core operating income, core operating margin, core EBITDA margin, core earnings, core earnings per share and core return on invested capital to provide investors an additional method for assessing operating income, earnings, earnings per share and return on invested capital from what it believes are its core manufacturing operations. See the accompanying reconciliation of Jabil's core operating income to its GAAP operating income, its calculation of core operating margin, Jabil's core earnings and core earnings per share to its GAAP net income and GAAP earnings per share, its calculation of core return on invested capital, its calculation of core EBITDA margin and additional information in the supplemental information.)*

### Operational Highlights Fiscal Q3 2012 versus Fiscal Q3 2011

- | Core EBITDA margin increased to 6.5 percent.
- | GAAP operating income increased 3 percent.
- | GAAP diluted earnings per share increased 2 percent.
- | Operating margins expanded 10 basis points year-over-year to 3.7 percent.
- | Core operating margins expanded 30 basis points year-over-year to 4.5 percent.
- | Cash flow from operations increased to \$186 million.
- | Repurchased \$31 million worth of shares and returned \$17 million to shareholders via dividends during the quarter.
- | Cost of revenue was impacted by a \$10.1 million distressed customer charge related to a specific solar customer. Excluding the charge, gross profit margin and GAAP diluted earnings per share would have been 8 percent and \$0.53 for the quarter, respectively.

#### Quarterly Results

	Q3 2012	Q3 2011
Net revenue	\$4.3 billion	\$4.2 billion
GAAP operating income	\$156.6 million	\$152.5 million
GAAP net income	\$101.3 million	\$104.7 million
GAAP diluted earnings per share	\$0.48	\$0.47
GAAP return on invested capital	19%	24%

Core operating income	\$190.3 million	\$177.8 million
Core earnings	\$134.4 million	\$129.1 million
Core diluted earnings per share	\$0.64	\$0.58
Core return on invested capital	24%	29%

### Business Update

"We are delighted with the outstanding performance of our Diversified Manufacturing Services sector overall and we are actively expanding our capacity in order to meet the growing demands of numerous customers and products," said Jabil CEO Timothy Main. "The ramp-up of new products, combined with specific customer challenges and muted end-markets give us plenty to focus on in the fourth fiscal quarter," said Jabil CEO Timothy Main. "We believe success in the fourth quarter will set the stage for a brisk fiscal 2013 and a continuation of record setting years."

### Fiscal Q4 2012 Guidance Range

Net revenue	\$4.1 billion - \$4.35 billion
Core operating income	\$170 million - \$200 million
Core earnings per share	\$0.54 to \$0.66 per diluted share
GAAP earnings per share	\$0.43 to \$0.55 per diluted share

(GAAP earnings per share for the fourth quarter of fiscal 2012 are currently estimated to include \$0.02 per share for amortization of intangibles and \$0.09 per share for stock-based compensation).

**FORWARD LOOKING STATEMENT:** *This news release contains forward-looking statements, including those regarding our anticipated financial results for our third quarter of fiscal year 2012; the ramping of new products; specific customer challenges; muted end-markets; our focus in the fourth fiscal quarter; our fiscal 2013 performance and our currently expected fourth quarter of fiscal year 2012 net revenue, core operating income, core and GAAP earnings per share results and the components thereof. The statements in this news release are based on current expectations, forecasts and assumptions involving risks and uncertainties that could cause actual outcomes and results to differ materially. These risks and uncertainties include, but are not limited to: our determination as we finalize our financial results for our third fiscal quarter of fiscal year 2012 that our financial results and conditions differ from our current preliminary unaudited numbers set forth herein; our inability to ramp the new products in our Materials Technology Group, an unexpected difference in our focus in the fourth fiscal quarter; unexpected, adverse seasonal impacts on demand; changes in macroeconomic conditions, both in the U.S. and internationally; our financial performance during and after the current economic conditions; our ability to maintain and improve costs, quality and delivery for our customers; risks and costs inherent in litigation; whether our realignment of our capacity will adversely affect our cost structure, ability to service customers and labor relations; our ability to take advantage of perceived benefits of offering customers vertically integrated services; changes in technology; competition; anticipated growth for us and our industry that may not occur; managing rapid growth; managing rapid declines in customer demand and other related customer challenges that may occur; our ability to successfully consummate acquisitions and divestitures; managing the integration of businesses we acquire (including, with respect to the acquisition of the Italian and French sites, potential unknown liabilities and the costs associated with addressing potential reduced business activity at these sites); risks associated with international sales and operations; retaining key personnel; our dependence on a limited number of large customers; business and competitive factors generally affecting the electronic manufacturing services industry, our customers and our business; other factors that we may not have currently identified or quantified; and other risks, relevant factors and uncertainties identified in our Annual Report on Form 10-K for the fiscal year ended August 31, 2011, subsequent Reports on Form 10-Q and Form 8-K and our other securities filings. Jabil disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

**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, restructuring and impairment charges, goodwill impairment charges, certain distressed customer charges, settlement of receivables and related charges, loss on disposal of subsidiaries, certain other expenses, net of tax and certain deferred tax valuation allowance charges) 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 EBITDA margin, core return on invested capital, core earnings and core earnings per share to provide investors an additional method for assessing operating income, earnings and earnings per share from what it believes are its core manufacturing operations.

Included in this release are Condensed Consolidated Statements of Operations 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 third fiscal quarter 2012 earnings today at 4:30 p.m. ET live on the Internet at <http://www.jabil.com>. The call will be recorded and archived on the web at <http://www.jabil.com>. A taped replay of the conference call will also be available June 19, 2012 at approximately 7:30 p.m. ET through midnight on June 26, 2012. To access the replay, call (855) 859-2056 from within the United States, or (404) 537-3406 outside the United States. The pass code is: 88463058. An archived webcast of the conference call will be available at <http://www.jabil.com/investors/>.

#### **About Jabil**

Jabil is an electronic product solutions company providing comprehensive electronics design, manufacturing and aftermarket product management services to global electronics and technology companies. Offering complete product supply chain management from facilities in 29 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 Jabil's website: [jabil.com](http://www.jabil.com).

#### **Investor & Media Contact:**

Beth Walters  
Senior Vice President, Investor Relations & Communications  
Jabil Circuit, Inc.  
(727) 803-3511  
[beth\\_walters@jabil.com](mailto:beth_walters@jabil.com)