

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

	<u>February 28, 2014 (Unaudited)</u>	<u>August 31, 2013</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 675,129	\$ 1,011,373
Accounts receivable, net.....	941,059	1,167,254
Inventories .....	1,821,815	2,118,583
Prepaid expenses and other current assets .....	905,719	1,136,003
Income taxes receivable.....	25,978	12,269
Deferred income taxes .....	53,591	45,532
Assets of discontinued operations.....	539,388	329,231
Total current assets .....	<u>4,962,679</u>	<u>5,820,245</u>
Property, plant and equipment, net .....	2,331,970	2,309,298
Goodwill and intangible assets, net .....	625,282	609,445
Deferred income taxes .....	88,946	91,383
Other assets.....	119,331	100,801
Non-current assets of discontinued operations .....	—	222,609
Total assets .....	<u>\$ 8,128,208</u>	<u>\$ 9,153,781</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current installments of notes payable, long-term debt and capital lease obligations.....	\$ 160,839	\$ 215,448
Accounts payable.....	2,461,765	3,191,145
Accrued expenses .....	1,082,498	1,216,737
Income taxes payable.....	9,973	37,631
Deferred income taxes .....	1,014	6,004
Liabilities of discontinued operations .....	198,906	197,469
Total current liabilities.....	<u>3,914,995</u>	<u>4,864,434</u>
Notes payable, long-term debt and capital lease obligations, less current installments .....	1,675,322	1,690,418
Other liabilities .....	74,058	77,145
Income tax liabilities .....	85,702	76,315
Deferred income taxes .....	57,707	58,047
Non-current liabilities of discontinued operations.....	—	31,855
Total liabilities.....	<u>5,807,784</u>	<u>6,798,214</u>
Commitments and contingencies		
Equity:		
Jabil Circuit, Inc. stockholders' equity:		
Preferred stock.....	—	—
Common stock.....	243	238
Additional paid-in capital .....	1,851,781	1,853,409
Retained earnings .....	1,116,461	1,071,175
Accumulated other comprehensive income .....	94,571	81,248
Treasury stock, at cost .....	(767,679)	(670,783)
Total Jabil Circuit, Inc. stockholders' equity.....	<u>2,295,377</u>	<u>2,335,287</u>
Noncontrolling interests .....	25,047	20,280
Total equity .....	<u>2,320,424</u>	<u>2,355,567</u>
Total liabilities and equity .....	<u>\$ 8,128,208</u>	<u>\$ 9,153,781</u>

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

(in thousands, except for per share data)

(Unaudited)

	Three months ended		Six months ended	
	February 28, 2014	February 28, 2013	February 28, 2014	February 28, 2013
Net revenue .....	\$ 3,577,315	\$ 4,166,355	\$ 7,918,271	\$ 8,536,236
Cost of revenue .....	3,364,165	3,877,833	7,371,567	7,936,795
Gross profit .....	213,150	288,522	546,704	599,441
Operating expenses:				
Selling, general and administrative .....	164,522	145,622	306,707	294,238
Research and development .....	6,604	7,655	15,658	14,862
Amortization of intangibles .....	6,180	2,204	12,501	4,370
Restructuring and related charges .....	32,203	—	53,206	—
Operating income .....	3,641	133,041	158,632	285,971
Interest and other, net .....	33,367	30,331	67,143	61,000
(Loss) income from continuing operations before tax .....	(29,726)	102,710	91,489	224,971
Income tax expense .....	2,539	27,418	22,112	59,003
(Loss) income from continuing operations, net of tax .....	(32,265)	75,292	69,377	165,968
(Loss) income from discontinued operations, net of tax .....	(6,251)	12,797	10,172	27,705
Net (loss) income .....	(38,516)	88,089	79,549	193,673
Net income (loss) attributable to noncontrolling interests, net of tax .....	151	(444)	294	(707)
Net (loss) income attributable to Jabil Circuit, Inc. ...	<u>\$ (38,667)</u>	<u>\$ 88,533</u>	<u>\$ 79,255</u>	<u>\$ 194,380</u>
(Loss) earnings per share attributable to the stockholders of Jabil Circuit, Inc.:				
Basic:				
(Loss) income from continuing operations, net of tax .....	<u>\$ (0.16)</u>	<u>\$ 0.37</u>	<u>\$ 0.34</u>	<u>\$ 0.82</u>
(Loss) income from discontinued operations, net of tax .....	<u>\$ (0.03)</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>	<u>\$ 0.14</u>
Net (loss) income .....	<u>\$ (0.19)</u>	<u>\$ 0.44</u>	<u>\$ 0.39</u>	<u>\$ 0.96</u>
Diluted:				
(Loss) income from continuing operations, net of tax .....	<u>\$ (0.16)</u>	<u>\$ 0.37</u>	<u>\$ 0.33</u>	<u>\$ 0.80</u>
(Loss) income from discontinued operations, net of tax .....	<u>\$ (0.03)</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>	<u>\$ 0.13</u>
Net (loss) income .....	<u>\$ (0.19)</u>	<u>\$ 0.43</u>	<u>\$ 0.38</u>	<u>\$ 0.94</u>
Weighted average shares outstanding:				
Basic .....	<u>205,251</u>	<u>202,458</u>	<u>205,005</u>	<u>203,393</u>
Diluted .....	<u>205,251</u>	<u>206,804</u>	<u>206,892</u>	<u>207,474</u>

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

(In thousands)  
(Unaudited)

	Six months ended	
	February 28, 2014	February 28, 2013
Cash flows from operating activities:		
Net income .....	\$ 79,549	\$ 193,673
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization .....	247,169	195,022
Recognition of stock-based compensation expense and related charges .....	(7,821)	36,513
Deferred income taxes .....	(28,265)	860
Restructuring and related charges .....	24,915	—
Excess tax benefits related to stock awards .....	(714)	(330)
Other, net .....	11,128	4,989
Changes in operating assets and liabilities, exclusive of net assets acquired:		
Accounts receivable .....	187,030	(172,161)
Inventories .....	342,794	(222,645)
Prepaid expenses and other current assets .....	235,557	(6,349)
Other assets .....	(33,749)	(2,799)
Accounts payable and accrued expenses .....	(912,599)	288,004
Income taxes .....	(10,378)	(9,093)
Net cash provided by operating activities .....	<u>134,616</u>	<u>305,684</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment .....	(286,349)	(371,472)
Proceeds from sale of property, plant and equipment .....	12,945	9,504
Cash paid for business and intangible asset acquisitions, net of cash acquired .....	—	(5,862)
Investments in non-marketable equity securities .....	—	(2,942)
Net cash used in investing activities .....	<u>(273,404)</u>	<u>(370,772)</u>
Cash flows from financing activities:		
Borrowings under debt agreements .....	3,789,192	2,178,021
Payments towards debt agreements .....	(3,860,319)	(2,091,043)
Dividends paid to stockholders .....	(35,792)	(34,748)
Cash paid to purchase noncontrolling interest .....	(1,720)	—
Sale of noncontrolling interest, net of cash disposed .....	(1,783)	—
Net proceeds from exercise of stock options and issuance of common stock under employee stock purchase plan .....	7,697	10,867
Payments to acquire treasury stock .....	(64,051)	(129,262)
Treasury stock minimum tax withholding related to vesting of restricted stock .....	(32,845)	(20,221)
Capital contribution to noncontrolling interest .....	—	316
Excess tax benefit related to stock awards .....	714	330
Net cash used in financing activities .....	<u>(198,907)</u>	<u>(85,740)</u>
Effect of exchange rate changes on cash and cash equivalents .....	1,451	(4,773)
Net decrease in cash and cash equivalents .....	(336,244)	(155,601)
Cash and cash equivalents at beginning of period .....	1,011,373	1,217,256
Cash and cash equivalents at end of period .....	<u>\$ 675,129</u>	<u>\$ 1,061,655</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		Six months ended	
	February 28, 2014	February 28, 2013	February 28, 2014	February 28, 2013
<b>Operating income (GAAP)</b> .....	\$ 3,641	\$ 133,041	\$ 158,632	\$ 285,971
Amortization of intangibles .....	6,180	2,204	12,501	4,370
Distressed customer charge .....	3,742	—	3,742	—
Stock-based compensation expense and related charges .....	14,652	16,274	(7,934)	33,186
Restructuring and related charges .....	32,203	—	53,206	—
<b>Core operating income (Non-GAAP)</b> .....	<b>\$ 60,418</b>	<b>\$ 151,519</b>	<b>\$ 220,147</b>	<b>\$ 323,527</b>
<b>Net (loss) income attributable to Jabil Circuit, Inc. (GAAP)</b> .....	\$ (38,667)	\$ 88,533	\$ 79,255	\$ 194,380
Amortization of intangibles, net of tax .....	8,250	2,205	9,423	4,371
Distressed customer charge, net of tax .....	2,337	—	2,337	—
Stock-based compensation expense and related charges, net of tax .....	14,192	16,064	(8,413)	32,783
Restructuring and related charges, net of tax .....	27,892	—	45,589	—
Acquisition costs and purchase accounting adjustments, net of tax .....	—	—	(9,064)	—
Loss (income) from discontinued operations, net of tax .....	6,251	(12,797)	(10,172)	(27,705)
<b>Core earnings (Non-GAAP)</b> .....	<b>\$ 20,255</b>	<b>\$ 94,005</b>	<b>\$ 108,955</b>	<b>\$ 203,829</b>
<b>Net (loss) earnings per share: (GAAP)</b>				
Basic .....	\$ (0.19)	\$ 0.44	\$ 0.39	\$ 0.96
Diluted .....	\$ (0.19)	\$ 0.43	\$ 0.38	\$ 0.94
<b>Core earnings per share: (Non-GAAP)</b>				
Basic .....	\$ 0.10	\$ 0.46	\$ 0.53	\$ 1.00
Diluted .....	\$ 0.10	\$ 0.45	\$ 0.53	\$ 0.98
<b>Weighted average shares outstanding used in the calculations of earnings per share (GAAP):</b>				
Basic .....	205,251	202,458	205,005	203,393
Diluted .....	205,251	206,804	206,892	207,474
<b>Weighted average shares outstanding used in the calculations of earnings per share (Non-GAAP):</b>				
Basic .....	205,251	202,458	205,005	203,393
Diluted .....	206,622	206,804	206,892	207,474

**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, long-term debt and capital lease obligations and (3) the current portion of its notes payable, long-term debt and capital lease obligations, 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	
	February 28, 2014	February 28, 2013
<b>Numerator:</b>		
<b>Operating income (GAAP)</b> .....	\$ 3,641	\$ 133,041
Tax effect (1) .....	(2,410)	(27,727)
After-tax operating income .....	1,231	105,314
	x4	x4
<b>Annualized after-tax operating income</b> .....	<b>\$ 4,924</b>	<b>\$ 421,256</b>
<b>Core operating income (Non-GAAP)</b> .....	\$ 60,418	\$ 151,519
Tax effect (2) .....	(7,016)	(27,892)
After-tax core operating income .....	53,402	123,627
	x4	x4
<b>Annualized after-tax core operating income</b> .....	<b>\$ 213,608</b>	<b>\$ 494,508</b>
<b>Denominator:</b>		
Average total Jabil Circuit, Inc. stockholders' equity (3).....	\$ 2,343,125	\$ 2,124,908
Average notes payable, long-term debt and capital lease obligations, less current installments (3) .....	1,676,578	1,654,883
Average current installments of notes payable, long-term debt and capital lease obligations (3) .....	139,035	59,624
Average cash and cash equivalents (3) .....	(722,176)	(1,045,845)
<b>Net invested capital asset base</b> .....	<b>\$ 3,436,562</b>	<b>\$ 2,793,570</b>
<b>Return on Invested Capital (GAAP)</b> .....	<b>0.1%</b>	<b>15.1%</b>
<b>Adjustments noted above</b> .....	<b>6.1%</b>	<b>2.6%</b>
<b>Core Return on Invested Capital (Non-GAAP)</b> .....	<b>6.2%</b>	<b>17.7%</b>

- (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.