



March 19, 2014

## Jabil Reports Second Quarter Results

### Provides Solid Outlook for Fiscal 2015

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Second Quarter 2014](#)

[Forward-Looking Statement](#)

**St. Petersburg, FL - March 19, 2014...**Today Jabil Circuit, Inc. (NYSE: JBL), announced preliminary, unaudited financial results for its second quarter of fiscal year 2014. As a result of the anticipated sale of Jabil's aftermarket services business, this business is reported as "discontinued operations" in the unaudited financial results for all periods presented.

The company reported second quarter revenue of \$3.6 billion.

Jabil's three reporting segments delivered the following revenue results for the company's second fiscal quarter:

- | Diversified Manufacturing Services: \$1.6 billion.
- | Enterprise & Infrastructure: \$1.2 billion.
- | High Velocity Systems: \$0.8 billion.

Generally accepted accounting principles (GAAP) operating income for the second quarter was \$3.6 million and GAAP net diluted loss per share was (\$0.19). The company indicated that \$32.2 million in restructuring costs during the quarter impacted GAAP operating income.

As defined below, core operating income was \$60.4 million and core diluted earnings per share was \$0.10.

"We completed our second quarter largely as planned, with steady progress on finalizing our previously announced divestiture and winding down our relationship with our second largest customer," said Mark T. Mondello, Chief Executive Officer. "The steadfast dedication of our global workforce has contributed to our ongoing performance despite the challenges we have faced," he added.

*(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 related charges, impairment of notes receivable and related charges, goodwill impairment charges, certain distressed customer charges, settlement of receivables and related charges, loss on disposal of subsidiaries and acquisition costs and purchase accounting adjustments. Jabil defines core earnings as GAAP net income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and related charges, impairment of notes receivable and related charges, goodwill impairment charges, certain distressed customer charges, settlement of receivables and related charges, loss on disposal of subsidiaries, acquisition costs and purchase accounting adjustments, income (loss) from discontinued operations, certain other expenses, net of tax and certain deferred tax valuation allowance charges. Jabil defines core diluted earnings per share as core earnings divided by the weighted average number of outstanding diluted 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 earnings, core diluted and basic earnings per share and core return on invested capital to provide investors an additional method for assessing operating income, earnings, diluted 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 earnings and core diluted earnings per share to its GAAP net income and GAAP earnings per share, its calculation of core return on invested capital and additional information in the supplemental information.)*

Quarterly Results	Q2 2014	Q2 2013
Net revenue	\$3.6 billion	\$4.2 billion
GAAP operating income	\$3.6 million	\$133.0 million
GAAP net (loss) income	(\$38.7) million	\$88.5 million
GAAP net diluted (loss) earnings per share	(\$0.19)	\$0.43
GAAP return on invested capital	0.1%	15.1%
Core operating income	\$60.4 million	\$151.5 million
Core earnings	\$20.3 million	\$94.0 million
Core diluted earnings per share	\$0.10	\$0.45
Core return on invested capital	6.2%	17.7%

## Business Update

Jabil provided guidance for its third quarter of fiscal year 2014, which began on March 1, 2014.

Net revenue	\$3.5 billion to \$3.7 billion
GAAP operating (loss) income	(\$35) million to \$25 million
GAAP net earnings per share	\$0.74 to \$1.04 per diluted share
Core operating income	\$20 million to \$60 million
Core (loss) earnings per share	(\$0.20) to \$0.00 per diluted share

(GAAP net earnings per share for the third quarter of fiscal year 2014 are currently estimated to include \$0.03 per share for amortization of intangibles, \$0.07 per share for stock-based compensation expense and related charges, \$0.16 to \$0.06 per share for restructuring and related charges and income from discontinued operations of \$1.20 per share.)

## Year over Year Third Quarter Segment Revenue Guidance:

- | Diversified Manufacturing Services consistent.
- | Enterprise & Infrastructure to decline 5 percent.
- | High Velocity Systems to decline 40 percent.

"As we move through the back half of the fiscal year, I'm encouraged and pleased with activities surrounding multiple program ramps from new business wins," said Mondello. "At a time when legacy EMS business is showing very modest growth, we are fortunate to have the scale and technical capabilities which allow us to embrace new growth opportunities," Mondello stated. Management provided fiscal year 2015 guidance of \$1.65 to \$1.95 core earnings per share.

**FORWARD LOOKING STATEMENT:** *This news release contains forward-looking statements, including those regarding our anticipated financial results for our second quarter of fiscal year 2014; our currently expected third quarter of fiscal year 2014 net revenue (including that of our segments), core operating income, GAAP operating (loss) income, core and GAAP earnings (loss) per share results and the components thereof; our currently expected fiscal year 2015 core earnings per share; our activities surrounding multiple program ramps from new business wins; and our scale and technical capabilities to allow us to embrace new growth opportunities. 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 second quarter of fiscal year 2014 that our financial results and conditions differ from our current preliminary unaudited numbers set forth herein; fluctuations in our stock's market price; fluctuations in operating results and cash flows; unexpected, adverse seasonal impacts on demand; changes in macroeconomic conditions, both in the U.S. and internationally; the occurrence of, success and expected financial results from, the expected multiple product ramps; 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; 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, 2013, subsequent Reports on Forms 10-Q and 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 related charges, impairment of notes receivable and related charges, goodwill impairment charges, certain distressed customer charges, settlement of receivables and related charges, loss on disposal of subsidiaries, acquisition costs and purchase accounting adjustments, income from discontinued operations, 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 return on invested capital, core earnings and core diluted and basic 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 second quarter of fiscal year 2014 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 March 19, 2014 at approximately 7:30 p.m. ET through midnight on March 26, 2014. 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: 9550088. 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 and manufacturing product management services to global electronics and technology companies. Offering complete product supply chain management from facilities in 24 countries (excluding the AMS discontinued operations), 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).

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