

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	<u>February 29,</u> <u>2012 (Unaudited)</u>	<u>August 31,</u> <u>2011</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 707,350	\$ 888,611
Accounts receivable, net	1,122,529	1,100,926
Inventories	2,350,842	2,227,339
Prepaid expenses and other current assets	900,476	868,892
Income taxes receivable	10,157	33,855
Deferred income taxes	<u>21,996</u>	<u>15,737</u>
Total current assets	5,113,350	5,135,360
Property, plant and equipment, net	1,658,461	1,641,335
Goodwill and intangible assets, net	222,863	125,305
Deferred income taxes	75,287	74,989
Noncurrent income tax receivable	18,209	-
Other assets	<u>78,884</u>	<u>80,951</u>
Total assets	<u>\$ 7,167,054</u>	<u>\$ 7,057,940</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of notes payable and long-term debt	\$ 281,602	\$ 74,160
Accounts payable	2,723,132	2,885,168
Accrued expenses	819,209	892,391
Income taxes payable	24,943	32,987
Deferred income taxes	<u>2,607</u>	<u>5,182</u>
Total current liabilities	3,851,493	3,889,888
Notes payable and long-term debt, less current installments	1,112,475	1,112,594
Other liabilities	72,992	67,423
Income tax liability	94,712	88,451
Deferred income taxes	<u>16,588</u>	<u>15,761</u>
Total liabilities	<u>5,148,260</u>	<u>5,174,117</u>
Equity:		
Jabil Circuit, Inc. stockholders' equity:		
Common stock	231	225
Additional paid-in capital	1,703,986	1,649,431
Retained earnings	617,661	441,793
Accumulated other comprehensive income	169,009	194,706
Treasury stock, at cost	<u>(490,055)</u>	<u>(419,035)</u>
Total Jabil Circuit, Inc. stockholders' equity	<u>2,000,832</u>	<u>1,867,120</u>
Noncontrolling interests	<u>17,962</u>	<u>16,703</u>
Total equity	<u>2,018,794</u>	<u>1,883,823</u>
Total liabilities and equity	<u>\$ 7,167,054</u>	<u>\$ 7,057,940</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 29, 2012	February 28, 2011	February 29, 2012	February 28, 2011
Net revenue	\$ 4,236,174	\$ 3,928,663	\$ 8,562,943	\$ 8,010,844
Cost of revenue	3,914,010	3,632,263	7,900,769	7,403,853
Gross profit	322,164	296,400	662,174	606,991
Operating expenses:				
Selling, general and administrative	160,811	141,807	318,634	284,256
Research and development	6,264	6,540	12,535	12,281
Amortization of intangibles	4,871	5,665	9,945	11,634
Restructuring and impairment charges	-	196	-	628
Settlement of receivables and related charges	-	13,607	-	13,607
Loss on disposal of subsidiaries	-	23,944	-	23,944
Operating income	150,218	104,641	321,060	260,641
Interest and other, net	27,953	25,885	55,599	46,997
Income before income tax	122,265	78,756	265,461	213,644
Income tax expense	24,020	23,038	53,435	50,515
Net income	98,245	55,718	212,026	163,129
Net income attributable to noncontrolling interests, net of income tax expense	547	315	1,456	1,049
Net income attributable to Jabil Circuit, Inc.	\$ 97,698	\$ 55,403	\$ 210,570	\$ 162,080
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:				
Basic	\$ 0.47	\$ 0.26	\$ 1.02	\$ 0.75
Diluted	\$ 0.46	\$ 0.25	\$ 1.00	\$ 0.74
Weighted average shares outstanding:				
Basic	207,287	215,170	206,337	214,781
Diluted	212,148	221,022	211,410	219,469

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

(in thousands)
(Unaudited)

	Six months ended	
	February 29, 2012	February 28, 2011
Cash flows from operating activities:		
Net income	\$ 212,026	\$ 163,129
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	173,734	151,874
Recognition of stock-based compensation expense.....	39,734	39,801
Settlement of receivables and related charges	—	12,673
Loss on disposal of subsidiaries	—	23,944
Other, net	(7,661)	(208)
Changes in operating assets and liabilities, exclusive of net assets acquired:		
Accounts receivable	(1,024)	178,311
Inventories	(119,816)	(104,299)
Prepaid expenses and other current assets	(31,761)	(14,590)
Other assets	(1,719)	(10,723)
Accounts payable and accrued expenses	(259,021)	(84,673)
Income taxes payable	736	12,366
Net cash provided by operating activities	<u>5,228</u>	<u>367,605</u>
Cash flows from investing activities:		
Cash paid for business and intangible asset acquisitions, net of cash acquired.....	(128,462)	3,985
Acquisition of property, plant and equipment.....	(180,506)	(207,347)
Proceeds from sale of property, plant and equipment	9,666	9,817
Proceeds from disposal of available for sale investments	—	5,800
Cost of receivables acquired, net of cash collections	497	(33,247)
Net cash (used in) investing activities	<u>(298,805)</u>	<u>(220,992)</u>
Cash flows from financing activities:		
Borrowings under debt agreements.....	4,633,328	4,178,028
Payments towards debt agreements.....	(4,425,749)	(4,128,667)
Treasury stock repurchases	(39,964)	—
Dividends paid to stockholders	(32,148)	(30,214)
Net proceeds from exercise of stock options and issuance of common stock under employee stock purchase plan	14,403	14,794
Treasury stock minimum tax withholding related to vesting of restricted stock.....	(31,056)	(9,722)
Debt issuance costs	—	(14,547)
Excess tax benefit related to stock awards	750	72
Net cash provided by financing activities	<u>119,564</u>	<u>9,744</u>
Effect of exchange rate changes on cash and cash equivalents.....	(7,248)	1,631
Net (decrease) increase in cash and cash equivalents	(181,261)	157,988
Cash and cash equivalents at beginning of period	888,611	744,329
Cash and cash equivalents at end of period	<u>\$ 707,350</u>	<u>\$ 902,317</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 29, 2012	February 28, 2011	February 29, 2012	February 28, 2011
Operating income (GAAP)	\$ 150,218	\$ 104,641	\$ 321,060	\$ 260,641
Amortization of intangibles	4,871	5,665	9,945	11,634
Stock-based compensation and related charges	21,069	20,301	39,734	39,801
Restructuring and impairment charges	-	196	-	628
Loss on disposal of business	-	23,944	-	23,944
Settlement of receivables and related charges	-	13,607	-	13,607
Core operating income (Non-GAAP)	\$ 176,158	\$ 168,354	\$ 370,739	\$ 350,255
Net income attributable to Jabil Circuit, Inc. (GAAP)	\$ 97,698	\$ 55,403	\$ 210,570	\$ 162,080
Amortization of intangibles, net of tax	4,858	5,653	9,919	11,611
Stock-based compensation and related charges, net of tax	20,595	20,006	38,864	39,011
Restructuring and impairment charges, net of tax	-	196	-	628
Loss on disposal of business, net of tax	-	23,944	-	23,944
Settlement of receivables and related charges, net of tax	-	13,607	-	13,607
Core earnings (Non-GAAP)	\$ 123,151	\$ 118,809	\$ 259,353	\$ 250,881
Earnings per share: (GAAP)				
Basic	\$ 0.47	\$ 0.26	\$ 1.02	\$ 0.75
Diluted	\$ 0.46	\$ 0.25	\$ 1.00	\$ 0.74
Core earnings per share: (Non-GAAP)				
Basic	\$ 0.59	\$ 0.55	\$ 1.26	\$ 1.17
Diluted	\$ 0.58	\$ 0.54	\$ 1.23	\$ 1.14
Weighted average shares outstanding used in the calculations of earnings per share (GAAP and Non-GAAP):				
Basic	207,287	215,170	206,337	214,781
Diluted	212,148	221,022	211,410	219,469

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) "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) "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 calculation 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 February 29, 2012
Numerator:		
Operating income (GAAP)	\$	150,218
Tax effect (1)		(24,340)
After-tax operating income		125,878
		x4
Annualized after-tax operating income	\$	503,512
Core Operating Income (Non-GAAP)		
	\$	176,158
Tax effect (2)		(24,777)
After-tax core operating income		151,381
		x4
Annualized after-tax core operating income	\$	605,524
Denominator:		
Average total Jabil Circuit, Inc. stockholders' equity (3)	\$	1,949,666
Average notes payable and long-term debt, less current installments (3)		1,112,501
Average current installments of notes payable and long-term debt (3)		182,731
Average cash and cash equivalents (3)		(784,627)
Net invested capital asset base	\$	2,460,271
Return on Invested Capital (GAAP)		20.5%
Adjustments noted above		4.1%
Core Return on Invested Capital (Non-GAAP)		24.6%

- (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.