

# Fourth Quarter and Fiscal Year 2012 Financial Results

September 25, 2012

JABIL

# Forward-Looking Statement

*FORWARD LOOKING STATEMENT: This presentation contains forward-looking statements, including those regarding our anticipated financial results for our fourth quarter of fiscal year 2012; our estimated operating cash flows in fiscal year 2013; potential repurchases of our common stock; our balance sheet, operations, employees and roster of customers heading into fiscal year 2013; the macroeconomic climate; our long-term goals and competitive position; our fiscal year 2013 earnings and our currently expected first quarter of fiscal year 2013 net revenue, core operating income, core and GAAP earnings per share results and the components thereof. The statements in this presentation 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 fourth fiscal quarter of fiscal year 2012 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; 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.*

# Fourth Quarter 2012 Income Highlights

	Three months ended		
	August 31, 2012	August 31, 2011	% Change
Net revenue	\$4,338	\$4,280	1%
GAAP operating income	\$144	\$166	(13%)
GAAP net income	\$83	\$114	(27%)
GAAP diluted earnings per share	\$0.39	\$0.52	(25%)
Core operating income <sup>1</sup>	\$175	\$187	(6%)
Core earnings <sup>4</sup>	\$113	\$136	(17%)
Core diluted earnings per share <sup>2</sup>	\$0.54	\$0.62	(13%)

*(In millions, except EPS)*

# Fiscal Year 2012 Income Highlights

## Twelve months ended

	August 31, 2012	August 31, 2011	% Change
Net revenue	\$17,152	\$16,519	4%
GAAP operating income	\$622	\$579	7%
GAAP net income	\$395	\$381	4%
GAAP diluted earnings per share	\$1.87	\$1.73	8%
Core operating income <sup>1</sup>	\$736	\$715	3%
Core earnings <sup>4</sup>	\$507	\$516	(2%)
Core diluted earnings per share <sup>2</sup>	\$2.40	\$2.34	3%

*(In millions, except EPS)*

# Fourth Quarter 2012 Segment Results

## ■ Diversified Manufacturing – 45%

- Annual increase of 14%
- Core operating income<sup>1</sup> 5.3%

## ■ Enterprise & Infrastructure – 30%

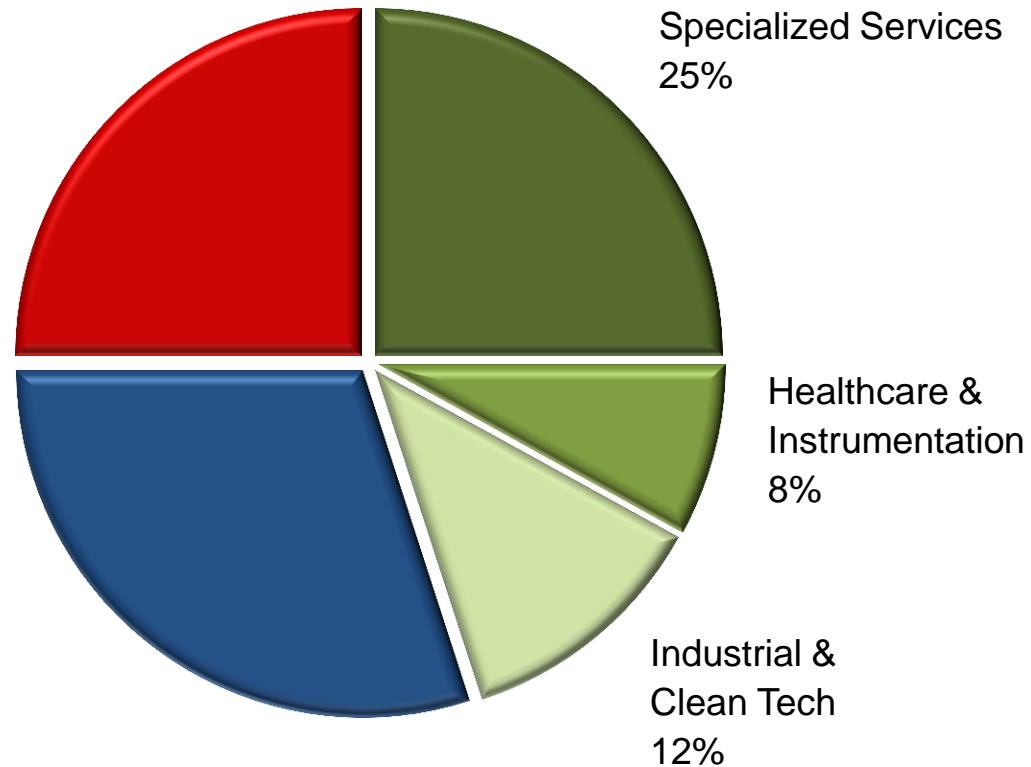
- Annual decrease of 5%
- Core operating income<sup>1</sup> 2.4%

## ■ High Velocity – 25%

- Annual decrease of 10%
- Core operating income<sup>1</sup> 3.8%

## ■ Total Company

- Annual increase of 1%
- Core operating income<sup>1</sup> 4.0%



# Fiscal Year 2012 Segment Results

## ■ Diversified Manufacturing – 44%

- Annual increase of 24%
- Core operating income<sup>1</sup> 6.1%

## ■ Enterprise & Infrastructure – 29%

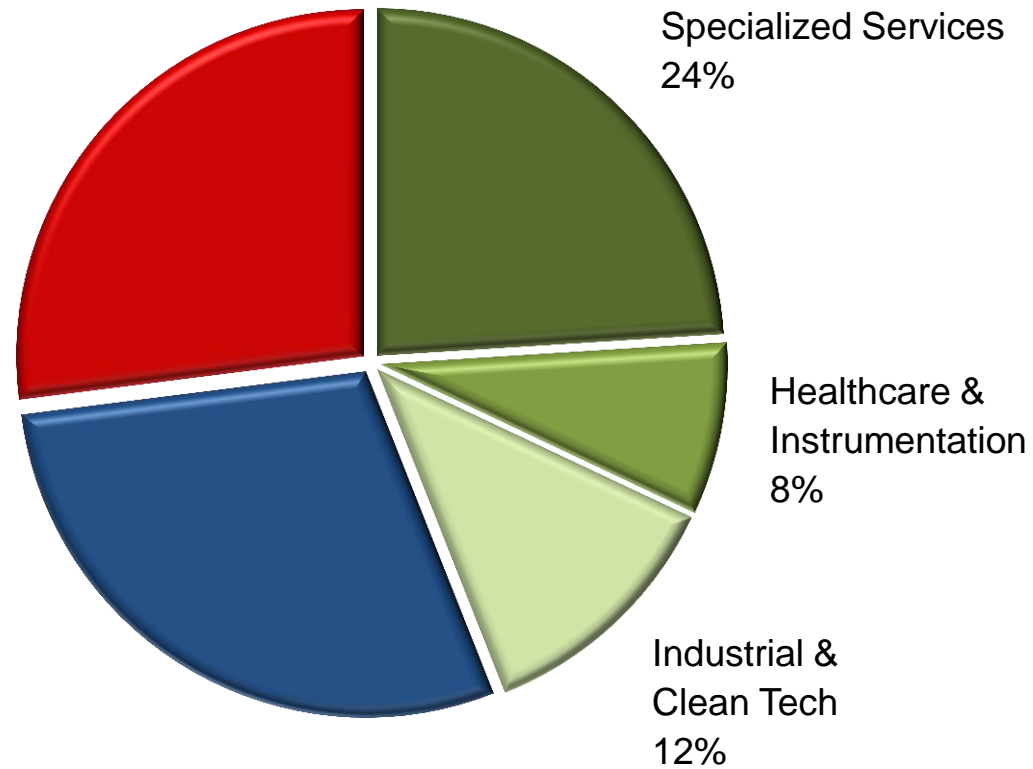
- Annual decrease of 2%
- Core operating income<sup>1</sup> 2.1%

## ■ High Velocity – 27%

- Annual decrease of 14%
- Core operating income<sup>1</sup> 3.8%

## ■ Total Company

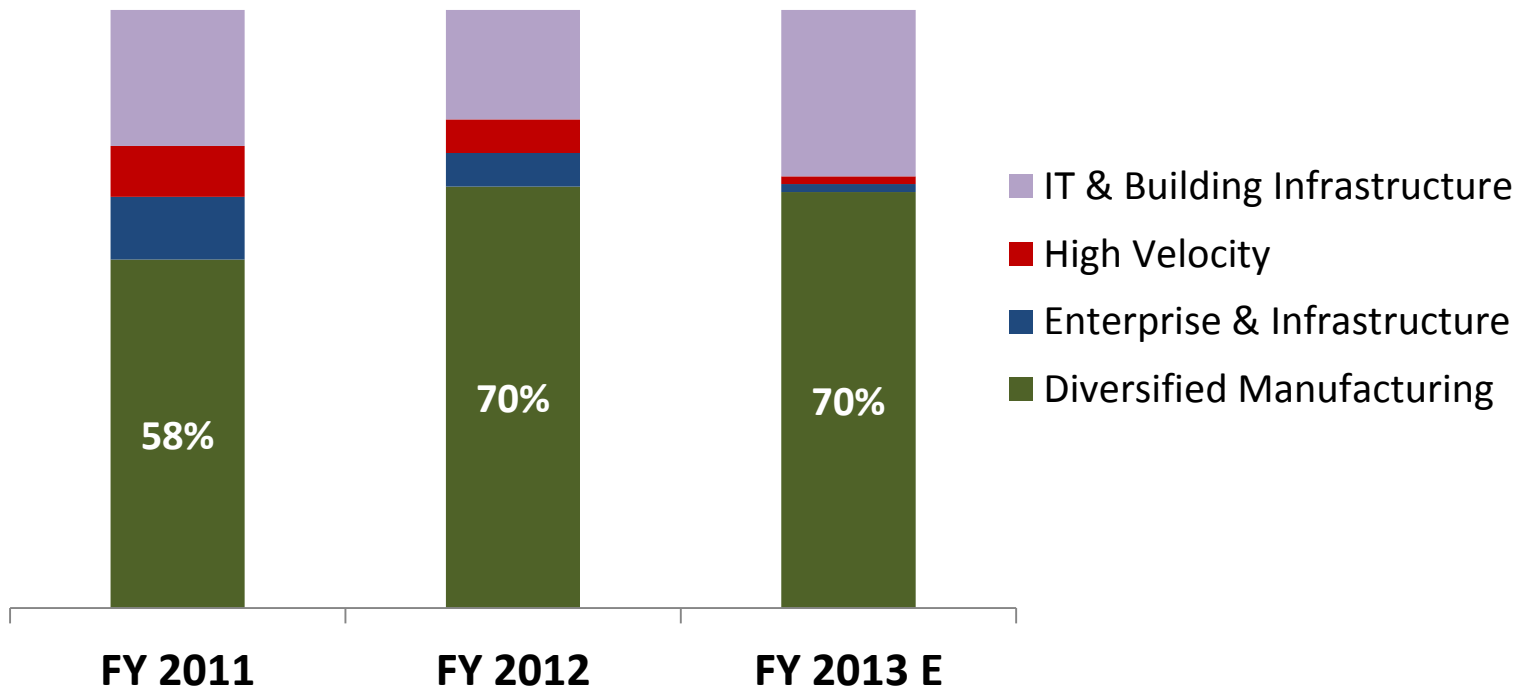
- Annual increase of 4%
- Core operating income<sup>1</sup> 4.3%



# Solid Year-over-Year Performance

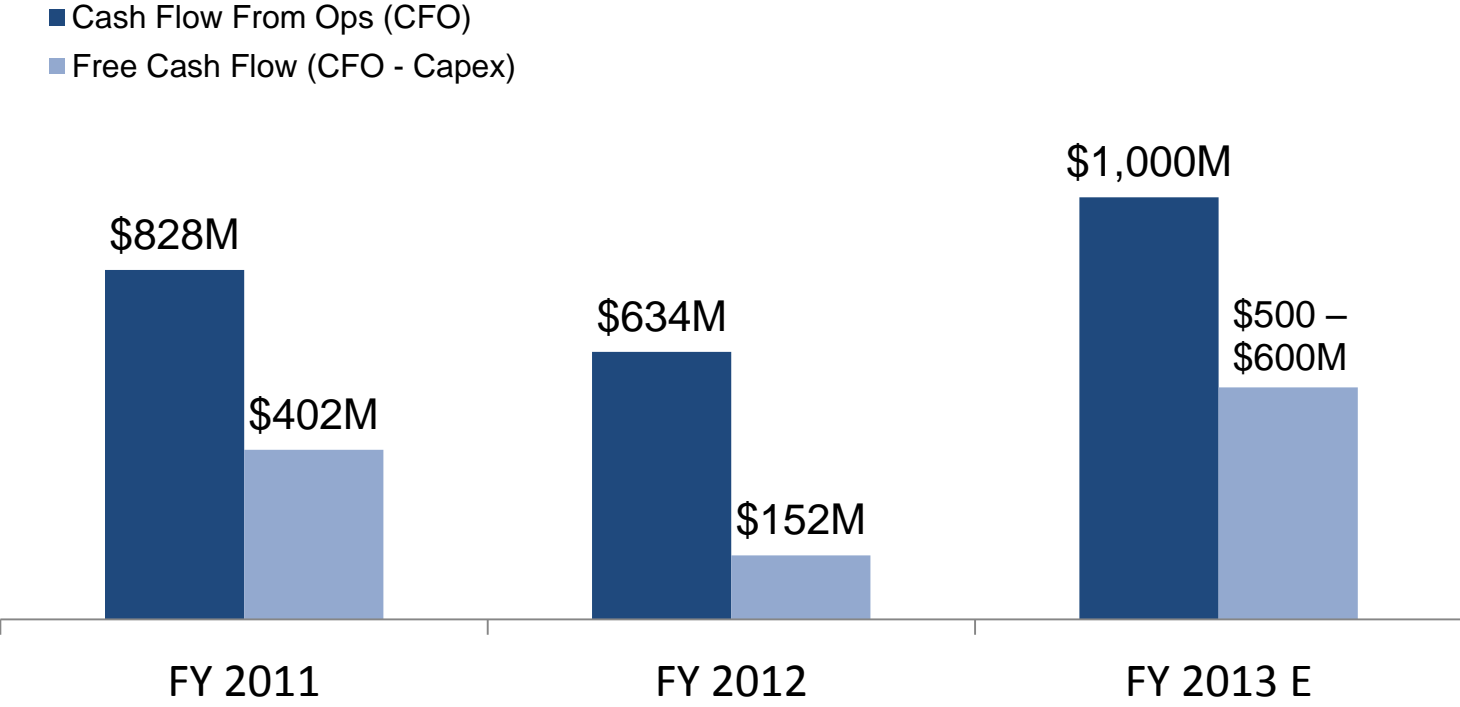
	Twelve Months Ended	
	FY12	FY11
GAAP ROIC	22%	23%
EBITDA <sup>3</sup>	\$1,073M	\$1,012M
EBITDA <sup>3</sup> as % of Revenue	6.3%	6.1%
Cash Flow from Operations	\$634M	\$828M
Cash Balance	\$1,217M	\$889M

# Investing in Growth and Sustainability





# Continuing Positive Cash Flow Trends



# Updating the Long-Term Targets

## ■ Diversified Manufacturing

- Long-Term Growth Rate: 15%+
- Core Operating Income<sup>1</sup> Target: 5.5 – 7%

## ■ Enterprise & Infrastructure

- Long-Term Growth Rate: 0 - 5%
- Core Operating Income<sup>1</sup> Target: 3 – 4%

## ■ High Velocity

- Long-Term Growth Rate: 0 – 5%
- Core Operating Income<sup>1</sup> Target: 2.5 – 3.5%

# First Quarter Outlook

# First Quarter 2013 Guidance

	Guidance
Net Revenue	\$4.3 - \$4.5 Billion
GAAP Operating Income	\$140M - \$175M
GAAP Diluted EPS	\$0.37 - \$0.50
Core Operating Income <sup>1</sup>	\$170M - \$200M
Core Diluted EPS <sup>2</sup>	\$0.51 - \$0.62

# First Quarter 2013 Segment Guidance

- **Diversified Manufacturing** - estimated to increase 12% year-on-year
- **Enterprise & Infrastructure** - estimated to increase 14% year-on-year
- **High Velocity** - estimated to decline 24% year-on-year

# CEO Remarks & Business Outlook

# Appendix

# Quarterly Sectors

## Percentage of Net Revenue

	Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	YTD FY12
■ <b>Diversified Manufacturing</b>					
■ Specialized Services	22%	25%	24%	25%	24%
■ Healthcare & Instrumentation	7%	7%	8%	8%	8%
■ Industrial & Clean Tech	13%	12%	12%	12%	12%
<b>Subtotal</b>	42%	44%	44%	45%	44%
■ <b>Enterprise &amp; Infrastructure</b>	28%	29%	31%	30%	29%
■ <b>High Velocity</b>	30%	27%	25%	25%	27%



# Fourth Quarter & Fiscal Year 2012 Operating Performance

	<b>Q4 2012</b>	<b>FY 2012</b>
Sales, General & Administrative	\$142M	\$563M
Research & Development	\$7M	\$26M
Amortization of Intangibles	\$3M	\$17M
Stock-Based Compensation	\$22M	\$81M
Net Interest Expense	\$29M	\$112M
Core Tax Rate <sup>5</sup>	22%	18%
Capital Expenditures	\$202M	\$481M

# First Quarter 2013 Operating Guidance

	<b>Q1 2013</b>
Sales, General & Administrative	3.3%
Research & Development	\$7M
Amortization of Intangibles	\$3M
Stock-Based Compensation	\$20M - \$25M
Net Interest Expense	\$32M
Core Tax Rate <sup>5</sup>	22%

# Balance Sheet & Ratio Trends

	Q4 FY11	Q4 FY12
<b>Sales cycle*</b>	8 days	7 days
<b>Inventory turns</b>	7	7
<b>Core return on invested capital “ROIC”<sup>7</sup></b>	30%	22%

\*Days in accounts receivable + days in inventory – days in accounts payable

# Reconciliation of Non-GAAP Financial Measures

The financial results disclosed in this presentation 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 presentation exclude certain amounts that are included in the most directly comparable GAAP measures. The non-GAAP or core financial measures disclosed in this presentation do not have standard meaning and may vary from non-GAAP financial measures used by other companies. Management believes core financial measures 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 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.

1. Core operating income excludes 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.
2. Core EPS excludes amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customers 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.
3. Core operating income<sup>1</sup> + depreciation expense.
4. Core Earnings excludes amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customers 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.

# Reconciliation of Non-GAAP Financial Measures

5. Core Tax Rate excludes amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customers 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.
6. Core operating income<sup>1</sup> / net revenue
7. Core Return on Invested Capital (ROIC) is calculated by annualizing the Company's after-tax non-GAAP operating income for its most recently-ended quarter and dividing that by a two quarter average net invested capital asset base. After-tax non-GAAP operating income excludes expenses and charges relating to 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 and loss on disposal of subsidiaries. Net invested capital is defined as the sum of the averages of stockholders' equity and current and non-current portions of notes payable and long term debt, adjusted for the average cash and cash equivalents.
8. Free Cash Flow defined as Cash Provided by Operating Activities less Net Cash used in Investing Activities.
9. FCF Yield defined as Free Cash Flow<sup>8</sup> as a percentage of EBITDA.
10. GAAP ROIC defined as  $((\text{GAAP operating income} * (1 - \text{tax rate})) + (\text{interest expense} * \text{tax rate}))*4 / (\text{average stockholders' equity} + \text{average notes payable and long-term debt, less current installment} + \text{average current installments of notes payable and long-term debt less average cash and cash equivalents})$ .