

**JABIL CIRCUIT, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands)

	November 30, 2014 (Unaudited)	August 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents.....	\$ 921,504	\$ 1,000,249
Accounts receivable, net .....	1,584,794	1,208,516
Inventories.....	2,099,214	2,008,077
Prepaid expenses and other current assets .....	1,049,745	1,057,562
Deferred income taxes.....	61,595	64,944
Assets of discontinued operations .....	20,505	19,669
Total current assets.....	5,737,357	5,359,017
Property, plant and equipment, net .....	2,314,464	2,271,705
Goodwill and intangible assets, net.....	620,944	627,700
Deferred income taxes.....	89,428	92,702
Other assets .....	107,715	128,622
Total assets.....	\$ 8,869,908	\$ 8,479,746
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current installments of notes payable, long-term debt and capital lease obligations.....	\$ 11,487	\$ 12,960
Accounts payable.....	3,358,871	3,060,814
Accrued expenses .....	1,340,732	1,235,106
Deferred income taxes.....	5,040	5,094
Liabilities of discontinued operations .....	6,798	7,123
Total current liabilities .....	4,722,928	4,321,097
Notes payable, long-term debt and capital lease obligations, less current installments .....	1,666,377	1,669,585
Other liabilities.....	74,314	79,471
Income tax liabilities .....	93,268	87,555
Deferred income taxes.....	59,109	61,670
Total liabilities.....	6,615,996	6,219,378
Commitments and contingencies		
Equity:		
Jabil Circuit, Inc. stockholders' equity:		
Preferred stock.....	—	—
Common stock.....	245	244
Additional paid-in capital.....	1,892,279	1,874,219
Retained earnings .....	1,305,041	1,245,772
Accumulated other comprehensive income .....	49,710	86,962
Treasury stock, at cost.....	(1,012,117)	(965,369)
Total Jabil Circuit, Inc. stockholders' equity.....	2,235,158	2,241,828
Noncontrolling interests .....	18,754	18,540
Total equity.....	2,253,912	2,260,368
Total liabilities and equity .....	\$ 8,869,908	\$ 8,479,746

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

(in thousands, except for per share data)

(Unaudited)

	Three months ended	
	November 30, 2014	November 30, 2013
Net revenue .....	\$ 4,550,418	\$ 4,342,711
Cost of revenue .....	4,167,431	4,008,460
Gross profit.....	382,987	334,251
Operating expenses:		
Selling, general and administrative .....	214,380	142,470
Research and development.....	6,005	9,054
Amortization of intangibles .....	5,590	6,321
Restructuring and related charges .....	12,257	21,003
Operating income.....	144,755	155,403
Interest and other, net.....	31,833	33,774
Income from continuing operations before tax.....	112,922	121,629
Income tax expense.....	39,788	19,676
Income from continuing operations, net of tax.....	73,134	101,953
Discontinued operations:		
Income from discontinued operations, net of tax .....	853	16,112
Loss on sale of discontinued operations, net of tax .....	(1,611)	—
Discontinued operations, net of tax .....	(758)	16,112
Net income .....	72,376	118,065
Net income attributable to noncontrolling interests, net of tax.....	214	143
Net income attributable to Jabil Circuit, Inc. ....	\$ 72,162	\$ 117,922
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:		
Basic:		
Income from continuing operations, net of tax.....	\$ 0.38	\$ 0.50
Discontinued operations, net of tax.....	\$ 0.00	\$ 0.08
Net income .....	\$ 0.37	\$ 0.58
Diluted:		
Income from continuing operations, net of tax.....	\$ 0.37	\$ 0.49
Discontinued operations, net of tax.....	\$ 0.00	\$ 0.08
Net income .....	\$ 0.37	\$ 0.57
Weighted average shares outstanding:		
Basic .....	193,502	204,762
Diluted.....	195,314	206,813

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

(In thousands)  
(Unaudited)

	Three months ended	
	November 30, 2014	November 30, 2013
Cash flows from operating activities:		
Net income.....	\$ 72,376	\$ 118,065
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization .....	122,380	125,596
Restructuring and related charges .....	3,292	782
Recognition of stock-based compensation expense and related charges.....	18,043	(24,566)
Deferred income taxes .....	2,618	(5,429)
Other, net .....	14,388	2,977
Changes in operating assets and liabilities:		
Accounts receivable .....	(398,334)	(146,619)
Inventories .....	(100,831)	137,407
Prepaid expenses and other current assets .....	(1,491)	(11,909)
Other assets.....	15,077	5,259
Accounts payable and accrued expenses .....	441,583	(83,857)
Net cash provided by operating activities .....	<u>189,101</u>	<u>117,706</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment .....	(197,676)	(202,992)
Proceeds from sale of property, plant and equipment.....	3,764	5,819
Other, net .....	3,600	—
Net cash used in investing activities.....	<u>(190,312)</u>	<u>(197,173)</u>
Cash flows from financing activities:		
Borrowings under debt agreements.....	1,458,495	2,066,000
Payments towards debt agreements .....	(1,461,871)	(2,180,326)
Payments to acquire treasury stock.....	(40,040)	—
Dividends paid to stockholders .....	(16,607)	(19,261)
Treasury stock minimum tax withholding related to vesting of restricted stock.....	(6,708)	(32,717)
Other, net .....	63	2,390
Net cash used in financing activities.....	<u>(66,668)</u>	<u>(163,914)</u>
Effect of exchange rate changes on cash and cash equivalents.....	(10,866)	1,231
Net decrease in cash and cash equivalents.....	(78,745)	(242,150)
Cash and cash equivalents at beginning of period.....	1,000,249	1,011,373
Cash and cash equivalents at end of period.....	<u>\$ 921,504</u>	<u>\$ 769,223</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	
	November 30, 2014	November 30, 2013
<b>Operating income (GAAP)</b> .....	\$ 144,755	\$ 155,403
Amortization of intangibles .....	5,590	6,321
Stock-based compensation expense and related charges.....	18,043	(22,586)
Restructuring and related charges.....	12,257	21,003
<b>Core operating income (Non-GAAP)</b> .....	<u>\$ 180,645</u>	<u>\$ 160,141</u>
<b>Net income attributable to Jabil Circuit, Inc. (GAAP)</b> .....	\$ 72,162	\$ 117,922
Amortization of intangibles, net of tax.....	5,589	1,173
Stock-based compensation expense and related charges, net of tax .....	17,694	(22,606)
Restructuring and related charges, net of tax.....	11,948	17,697
Acquisition costs and certain purchase accounting adjustments, net of tax .....	—	(9,064)
Income from discontinued operations, net of tax.....	(853)	(16,112)
Loss on sale of discontinued operations, net of tax.....	1,611	—
<b>Core earnings (Non-GAAP)</b> .....	<u>\$ 108,151</u>	<u>\$ 89,010</u>
<b>Earnings per share: (GAAP)</b>		
Basic .....	<u>\$ 0.37</u>	<u>\$ 0.58</u>
Diluted.....	<u>\$ 0.37</u>	<u>\$ 0.57</u>
<b>Core earnings per share: (Non-GAAP)</b>		
Basic .....	<u>\$ 0.56</u>	<u>\$ 0.43</u>
Diluted.....	<u>\$ 0.55</u>	<u>\$ 0.43</u>
<b>Weighted average shares outstanding used in the calculations of earnings per share (GAAP and Non-GAAP):</b>		
Basic .....	<u>193,502</u>	<u>204,762</u>
Diluted.....	<u>195,314</u>	<u>206,813</u>

**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 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" as its non-GAAP core operating income less a certain tax effect (the calculation of which is explained below). 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 its "average net invested capital asset base" as the sum of the averages (the calculations of which are explained below) of its stockholders' equity, current and non-current portions 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	
	November 30, 2014	November 30, 2013
<b>Numerator:</b>		
<b>Operating income (GAAP)</b> .....	\$ 144,755	\$ 155,403
Tax effect (1).....	(39,786)	(19,752)
After-tax operating income .....	104,969	135,651
	x4	x4
<b>Annualized after-tax operating income</b> .....	<u>\$ 419,876</u>	<u>\$ 542,604</u>
<b>Core operating income (Non-GAAP)</b> .....	\$ 180,645	\$ 160,141
Tax effect (2).....	(40,445)	(37,352)
After-tax core operating income .....	140,200	122,789
	x4	x4
<b>Annualized after-tax core operating income</b> .....	<u>\$ 560,800</u>	<u>\$ 491,156</u>
<b>Denominator:</b>		
Average total Jabil Circuit, Inc. stockholders' equity (3) .....	\$ 2,238,493	\$ 2,363,080
Average notes payable, long-term debt and capital lease obligations, less current installments (3).....	1,667,981	1,684,126
Average current installments of notes payable, long-term debt and capital lease obligations (3).....	12,223	166,339
Average cash and cash equivalents (3).....	(960,877)	(890,298)
<b>Net invested capital asset base</b> .....	<u>\$ 2,957,820</u>	<u>\$ 3,323,247</u>
<b>Return on Invested Capital (GAAP)</b> .....	<b>14.2%</b>	<b>16.3%</b>
<b>Adjustments noted above</b> .....	<b>4.8%</b>	<b>(1.5)%</b>
<b>Core Return on Invested Capital (Non-GAAP)</b> .....	<b>19.0%</b>	<b>14.8%</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.