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## Jabil Circuit Reports Fourth Quarter & Fiscal Year 2002 Results

19 September 2002  
St. Petersburg, Florida

[Statement of Income and Balance Sheet Data for 2002 Fourth Quarter & Fiscal Year End](#)

[Forward - Looking Statement](#)

Electronics manufacturing services provider Jabil Circuit, Inc. (NYSE: JBL) today reported results for its fourth fiscal quarter and fiscal year 2002, ended August 31, 2002.

### Fiscal Fourth Quarter 2002

Revenue for the fourth fiscal quarter of 2002 increased 5 percent to \$988 million, compared to \$944 million for the same period of fiscal 2001. Operating income before amortization of intangibles, acquisition-related charges and restructuring charges for the fourth fiscal quarter of 2002 was \$38.5 million or 3.9 percent of revenue compared to \$35.0 million or 3.7 percent of revenue for the fourth fiscal quarter of 2001. During the quarter, Jabil recorded acquisition-related charges of \$4.0 million (\$2.5 million after-tax) in connection with previously announced acquisitions, compared to \$1.9 million (\$1.2 million after-tax) for the same quarter of 2001.

Jabil's fourth fiscal quarter of 2002 core earnings after taxes increased 17 percent to \$30.3 million, compared to \$26.0 million for the fourth fiscal quarter of 2001. (Core earnings are defined as net income before amortization of intangibles, acquisition charges and restructuring charges.) Core earnings per share increased to \$0.15 per diluted share, compared to \$0.13 for the fourth quarter of fiscal 2001.

On a GAAP basis, net income was \$1.8 million for the fourth fiscal quarter of 2002, compared to \$11.2 million for the fourth fiscal quarter of 2001. GAAP earnings per share for the fourth fiscal quarter of 2002 were \$0.01, compared to \$0.06 for the same quarter of fiscal 2001.

"Overall the business environment stabilized in our fourth quarter and we achieved our second consecutive quarter of sequential growth. As we enter fiscal 2003, we see a continuation of improving customer, industry sector and geographic diversity. We expect significantly better results in fiscal 2003 against a reduced risk profile resulting from our new business wins and improved diversity," said Jabil President and CEO Timothy Main.

### Sequential Income Statement Highlights

- | Fourth quarter revenue increased 16 percent compared to the prior quarter.
- | Operating income, before amortization of intangibles, acquisition charges and restructuring charges, increased 19 percent to \$38.5 million in the fourth quarter.
- | Core earnings after taxes were \$30.3 million or 3 percent of revenue.
- | Fully diluted GAAP earnings per share for the quarter were \$0.01 on 200,643,000 average shares.

### Sequential Balance Sheet Highlights

- | Accounts receivable increased by \$97.6 million to \$446.9 million in the fourth quarter.
- | Calculated DSO was 41 days. Sales cycle was 37 days.
- | Inventories increased by \$70.6 million in the quarter to \$395.9 million.
- | Calculated inventory turns were nine compared to ten in the prior quarter.
- | Debt-to-capitalization ratio was 19 percent at the end of the quarter.
- | Cash flow from operations was approximately \$105 million.

### Fiscal Year 2002

Fiscal year revenues decreased 18 percent to \$3.5 billion, compared to \$4.3 billion in fiscal 2001. Operating income before amortization of intangibles, acquisition-related charges and restructuring charges for fiscal year 2002 was \$122.9 million

compared to \$203.5 million in fiscal 2001. Core earnings for fiscal 2002 were \$0.46 per diluted share, compared to \$0.73 per share for fiscal 2001. On a GAAP basis, earnings for fiscal 2002 were \$0.17 per diluted share, compared to \$0.59 per share for fiscal 2001.

## **Fiscal Year Summary and Outlook**

"Throughout fiscal 2002 we worked to reduce risk and to improve our competitive positioning, building a stronger platform for profitable long-term growth," said Tim Main. "We implemented difficult but necessary restructuring programs to better balance our global capacity. We also set out to improve our diversity and to develop new industry sectors. In the process we improved our balance sheet and we have a solid financial foundation with which to resume our growth trajectory in fiscal 2003."

"Our efforts in fiscal 2002 will begin paying dividends in fiscal 2003. We anticipate substantial growth in our consumer electronics, automotive, computing & storage and medical & instrumentation sectors. Though our telecommunications sector will decline to approximately 10 percent of overall sales through the year, we expect considerable earnings improvement in fiscal 2003. The long-term trend to outsourcing is still fundamentally sound and the outlook for Jabil overall is very positive," said Main.

The company's revenue guidance for its first fiscal quarter of 2003 is approximately \$1.04 billion. Core operating income is expected to range from 3.6 percent to 4.0 percent of revenue. Jabil estimated it would spend \$3 to \$4 million in integration and acquisition charges relating to its Lucent and Philips acquisitions in its fiscal first quarter. Restructuring charges in fiscal 2003 associated with the closure of its Boise, Idaho operation and other cost reduction programs are expected to total between \$60 and \$80 million. The company estimates core earnings per share to be \$0.14 to \$0.16 for the first quarter 2003 period.

## **About Jabil**

Jabil Circuit, Inc. is an electronic manufacturing services provider for international electronics companies in the automotive, computing and storage, consumer, instrumentation and medical, networking, peripherals and telecommunications markets. Jabil offers circuit design, board design from schematic, prototype assembly, volume board assembly, system assembly, repair and warranty services from facilities in the Americas, Europe, and Asia. Further information about Jabil can be found on the World Wide Web at <http://www.jabil.com>.

*This news release contains forward-looking statements regarding the anticipated outlook for our business, our expected first quarter fiscal 2003 earnings results, the consummation of proposed acquisitions and our long-term outlook for the company, our industry and our customers 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: the length and severity of the current economic downturn and our ability to manage customer demand through the downturn; fluctuations in operating results; changes in technology; competition; managing rapid growth; managing rapid declines in customer demand; our ability to successfully reach definitive agreements on and consummate our acquisitions; managing the integration of businesses we acquire; risks associated with international sales and operations; retaining key personnel; our dependence on a limited number of customers; the consolidation of our customer base; business and competitive factors generally affecting the electronic manufacturing services industry, our customers and our business or other factors that we may not have currently identified or quantified; and other risks, relevant factors and uncertainties are identified in our Annual Report on Form 10-K for the fiscal year ended August 31, 2001, any 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.*