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Jabil Circuit Reports Fiscal Year 2000 Second Quarter Results

Announces Two-for-One Stock Split

16 March 2000
St. Petersburg, Florida

[Forward - Looking Statement](#)

Jabil Circuit, Inc. (NYSE: JBL), electronics manufacturer to the world market for circuit board assemblies and services, today reported record revenue for the second fiscal quarter of 2000, ended February 29, 2000. Revenue for the quarter increased 50 percent to \$837.6 million compared to \$ 558.7 million for the same period of fiscal 1999.

Jabil's second quarter of fiscal 2000 net income increased 52 percent to \$33.9 million or \$0.37 per diluted share compared with \$22.3 million or \$0.27 per diluted share for the second quarter of fiscal 1999.

Gross profit for fiscal 2000 second quarter increased 40 percent to \$84.1 million or 10 percent of revenue compared to \$60.1 million or 10.8 percent of revenue for the corresponding quarter of fiscal 1999.

Operating income for the second fiscal quarter of 2000 increased 41 percent to \$ 50.6 million or 6 percent of revenue compared to \$35.9 million or 6.4 percent of revenue for the second fiscal quarter of 1999.

Revenues for the first six months of fiscal year 2000 increased 45 percent to \$1.5 billion, compared to \$1.1 billion for the same time period of fiscal 1999. Net income for the first six months of fiscal 2000 increased 54 percent to \$ 65.1 million, compared with \$42.3 million last fiscal year. Diluted earnings per share for the first six months of fiscal 2000 increased 39 percent to \$0.71 compared to \$0.51 for the same period of fiscal 1999. This excludes the impact of an acquisition-related charge of approximately \$5 million, or \$0.05 EPS recorded in the first fiscal quarter of 2000.

The Company announced a stock split in the form of a 100 percent stock dividend. The record date for the stock split will be March 23, 2000 with distribution of the split shares on March 30, 2000. Jabil Circuit shares will begin trading on a split basis at the opening of the market on March 31, 2000. The stock dividend will increase the number of Common Stock shares outstanding from approximately 92.3 million shares to approximately 184.6 million shares.

Income Statement-- Sequential Trend Highlights

- | Revenue in the second fiscal quarter increased by 21 percent from the first quarter, reflecting solid production levels in most business segments.
- | Gross margin was 10 percent of revenue for the quarter, reflecting an increase in production with a more materials-intensive mix.
- | Operating income increased sequentially by 14 percent to \$50.6 million, or 6.0 percent of revenue. Operating results represent a cumulative operating income growth of 29 percent in the first six months of the fiscal year - nearly attaining the company's annual goal of 30 percent in just two quarters. Growth of operating income is Jabil's key financial objective. This excludes the impact of an acquisition-related charge of approximately \$5 million, or \$0.05 EPS recorded in the first fiscal quarter of 2000.
- | Net income after tax was \$33.9 million or 4.1 percent of revenue, as compared to 4.5 percent in the prior sequential quarter. This excludes the impact of an acquisition-related charge of approximately \$5 million, or \$0.05 EPS recorded in the first fiscal quarter of 2000.
- | Earnings per share for second fiscal quarter of 2000 were \$0.37 on an average 92.3 million shares during the period, fully diluted.

Balance Sheet -- Sequential Trend Highlights

- | Accounts receivable increased by \$60 million to \$379 million in the second quarter of fiscal 2000, as compared to \$319 million in the first quarter. Calculated days sales outstanding were 41, compared to 42 in the first quarter.
- | Inventories increased by \$54 million in the second quarter to \$353 million as compared to \$299 million as of the end of November. Calculated inventory turns were 9, an improvement from 8 in the prior quarter.

- | Debt-to-capitalization ratio for the period was 17 percent.
- | Average return on assets for the period was 11.1 percent.
- | Average return on equity for the period was 21.6 percent.

Business Outlook

Jabil President Tim Main said, "We are very pleased with the continuing strength of our core business and the performance and contributions of our employees in a challenging growth environment. In support of this growth, we will continue to invest in our core competencies to maintain and improve upon our performance and fundamental manufacturing execution."

About Jabil

Jabil Circuit, Inc. is an electronic manufacturing services provider for international electronics companies in the communications, personal computer, peripheral, consumer and automotive markets. Jabil offers circuit design, board design from schematic, mechanical and production design, prototype assembly, volume board assembly and system assembly services from 12 locations in North and South America, Europe and Asia.

This release contains certain forward-looking statements, which are subject to a number of risks and uncertainties. Some factors that could cause actual results to differ materially include: business conditions and growth in the contract manufacturing industry and the general economy; variability of operating results; dependence on a limited number of customers; limited availability of components; dependence on certain industries; variability of customer requirements; and other risk factors described in the company's most recently filed SEC documents such as the Form 10-K, filed 11/12/99.