

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>August 31,</u> <u>2015</u>	<u>August 31,</u> <u>2014</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 913,963	\$ 1,000,249
Accounts receivable, net	1,467,247	1,208,516
Inventories	2,507,264	2,008,077
Prepaid expenses and other current assets	898,790	1,057,562
Deferred income taxes	79,045	64,944
Assets of discontinued operations	—	19,669
Total current assets	<u>5,866,309</u>	<u>5,359,017</u>
Property, plant and equipment, net	2,804,333	2,271,705
Goodwill and intangible assets, net	745,918	627,700
Deferred income taxes	85,169	92,702
Other assets	101,478	128,622
Total assets	<u>\$ 9,603,207</u>	<u>\$ 8,479,746</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of notes payable, long-term debt and capital lease obligations	\$ 323,833	\$ 12,960
Accounts payable	3,663,264	3,060,814
Accrued expenses	1,685,589	1,235,106
Deferred income taxes	2,455	5,094
Liabilities of discontinued operations	—	7,123
Total current liabilities	<u>5,675,141</u>	<u>4,321,097</u>
Notes payable, long-term debt and capital lease obligations, less current installments	1,346,558	1,669,585
Other liabilities	67,951	79,471
Income tax liabilities	96,379	87,555
Deferred income taxes	82,167	61,670
Total liabilities	<u>7,268,196</u>	<u>6,219,378</u>
Commitments and contingencies		
Equity:		
Jabil Circuit, Inc. stockholders' equity:		
Preferred stock	—	—
Common stock	247	244
Additional paid-in capital	1,955,104	1,874,219
Retained earnings	1,468,910	1,245,772
Accumulated other comprehensive (loss) income	(50,854)	86,962
Treasury stock, at cost	(1,058,551)	(965,369)
Total Jabil Circuit, Inc. stockholders' equity	<u>2,314,856</u>	<u>2,241,828</u>
Noncontrolling interests	20,155	18,540
Total equity	<u>2,335,011</u>	<u>2,260,368</u>
Total liabilities and equity	<u>\$ 9,603,207</u>	<u>\$ 8,479,746</u>

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per share data)
(Unaudited)

	Three months ended		Fiscal year ended	
	August 31, 2015	August 31, 2014	August 31, 2015	August 31, 2014
Net revenue	\$ 4,680,813	\$ 4,056,245	\$ 17,899,196	\$ 15,762,146
Cost of revenue	4,304,239	3,793,993	16,395,978	14,736,543
Gross profit	376,574	262,252	1,503,218	1,025,603
Operating expenses:				
Selling, general and administrative	209,465	177,934	862,647	675,730
Research and development	8,142	7,224	27,645	28,611
Amortization of intangibles	7,352	5,677	24,449	23,857
Restructuring and related charges	1,232	19,717	33,066	85,369
Loss on disposal of subsidiaries	—	5,057	—	7,962
Operating income	150,383	46,643	555,411	204,074
Interest and other, net	29,095	32,243	123,765	131,951
Income from continuing operations before tax	121,288	14,400	431,646	72,123
Income tax expense	30,276	32,788	137,461	73,711
Income (loss) from continuing operations, net of tax	91,012	(18,388)	294,185	(1,588)
Discontinued operations:				
(Loss) income from discontinued operations, net of tax	(2,473)	(961)	(7,698)	20,554
(Loss) gain on sale of discontinued operations, net of tax	—	(6,243)	(875)	223,299
Discontinued operations, net of tax	(2,473)	(7,204)	(8,573)	243,853
Net income (loss)	88,539	(25,592)	285,612	242,265
Net income attributable to noncontrolling interests, net of tax	837	605	1,593	952
Net income (loss) attributable to Jabil Circuit, Inc.	\$ 87,702	\$ (26,197)	\$ 284,019	\$ 241,313
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:				
Basic:				
Income (loss) from continuing operations, net of tax	\$ 0.47	\$ (0.10)	\$ 1.51	\$ (0.01)
Discontinued operations, net of tax	\$ (0.01)	\$ (0.04)	\$ (0.04)	\$ 1.20
Net income (loss)	\$ 0.45	\$ (0.13)	\$ 1.47	\$ 1.19
Diluted:				
Income (loss) from continuing operations, net of tax	\$ 0.46	\$ (0.10)	\$ 1.49	\$ (0.01)
Discontinued operations, net of tax	\$ (0.01)	\$ (0.04)	\$ (0.04)	\$ 1.20
Net income (loss)	\$ 0.45	\$ (0.13)	\$ 1.45	\$ 1.19
Weighted average shares outstanding:				
Basic	193,904	198,053	193,689	202,497
Diluted	196,351	198,053	196,005	202,497

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Fiscal year ended	
	August 31, 2015	August 31, 2014
Cash flows from operating activities:		
Net income	\$ 285,612	\$ 242,265
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	529,176	487,278
Gain on sale of discontinued operations	—	(230,878)
Restructuring and related charges	4,445	42,534
Provision for allowance for doubtful accounts	9,752	16,268
Recognition of stock-based compensation expense and related charges	62,560	10,624
Deferred income taxes	(10,912)	(38,971)
Excess tax benefit related to stock awards	(246)	(782)
Loss on disposal of subsidiaries	—	7,962
Loss (gain) on sale of property, plant and equipment	12,316	(1,773)
Other, net	659	8,689
Change in operating assets and liabilities, exclusive of net assets acquired:		
Accounts receivable	(292,706)	(116,458)
Inventories	(483,071)	160,790
Prepaid expenses and other current assets	113,012	73,492
Other assets	25,034	6,552
Accounts payable, accrued expenses and other liabilities	984,651	(168,735)
Net cash provided by operating activities	<u>1,240,282</u>	<u>498,857</u>
Cash flows from investing activities:		
Cash paid for business and intangible asset acquisitions, net of cash	(177,632)	—
Proceeds from sale of discontinued operations and subsidiaries, net of cash	10,191	531,189
Acquisition of property, plant and equipment	(963,145)	(624,060)
Proceeds from sale of property, plant and equipment	15,784	161,138
Investments in non-marketable equity securities	(11,939)	(3,600)
Other, net	5,294	(4,000)
Net cash (used in) provided by investing activities	<u>(1,121,447)</u>	<u>60,667</u>
Cash flows from financing activities:		
Borrowings under debt agreements	5,966,937	6,175,953
Payments toward debt agreements	(5,988,232)	(6,400,089)
Payments to acquire treasury stock	(85,576)	(260,274)
Dividends paid to stockholders	(63,138)	(68,211)
Net proceeds from exercise of stock options and issuance of common stock under employee stock purchase plan	18,062	15,771
Treasury stock minimum tax withholding related to vesting of restricted stock	(7,606)	(34,312)
Cash paid to purchase noncontrolling interest	(345)	(1,720)
Excess tax benefit related to stock awards	246	782
Other, net	(2,897)	(4,719)
Net cash used in financing activities	<u>(162,549)</u>	<u>(576,819)</u>
Effect of exchange rate changes on cash and cash equivalents	(42,572)	6,171
Net decrease in cash and cash equivalents	(86,286)	(11,124)
Cash and cash equivalents at beginning of period	1,000,249	1,011,373
Cash and cash equivalents at end of period	<u>\$ 913,963</u>	<u>\$ 1,000,249</u>

JABIL CIRCUIT, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA
RECONCILIATION OF U.S. GAAP FINANCIAL RESULTS TO NON-U.S. GAAP MEASURES
(in thousands, except for per share data)
(Unaudited)

	Three months ended		Fiscal year ended	
	August 31, 2015	August 31, 2014	August 31, 2015	August 31, 2014
Operating income (U.S. GAAP)	\$ 150,383	\$ 46,643	\$ 555,411	\$ 204,074
Amortization of intangibles	7,352	5,677	24,449	23,857
Stock-based compensation expense and related charges	9,459	2,367	62,563	8,994
Restructuring and related charges	1,232	19,717	33,066	85,369
Distressed customer charges	—	—	—	15,113
Acquisition costs and certain purchase accounting adjustments	(5,480)	—	(5,480)	—
Loss on disposal of subsidiaries	—	5,057	—	7,962
Core operating income (Non-U.S. GAAP)	<u>\$ 162,946</u>	<u>\$ 79,461</u>	<u>\$ 670,009</u>	<u>\$ 345,369</u>
Net income (loss) attributable to Jabil Circuit, Inc. (U.S. GAAP)	\$ 87,702	\$ (26,197)	\$ 284,019	\$ 241,313
Amortization of intangibles, net of tax	7,032	5,644	23,925	20,728
Stock-based compensation expense and related charges, net of tax	10,443	2,019	62,914	7,903
Restructuring and related charges, net of tax	1,048	17,449	32,219	72,892
Distressed customer charges, net of tax	—	(991)	—	10,243
Acquisition costs and certain purchase accounting adjustments, net of tax	(5,480)	—	(5,480)	(9,064)
Loss on disposal of subsidiaries, net of tax	—	5,057	—	7,962
Loss (income) from discontinued operations, net of tax	2,473	961	7,698	(20,554)
Loss (gain) on sale of discontinued operations, net of tax	—	6,243	875	(223,299)
Core earnings (Non-U.S. GAAP)	<u>\$ 103,218</u>	<u>\$ 10,185</u>	<u>\$ 406,170</u>	<u>\$ 108,124</u>
Net earnings (loss) per share (U.S. GAAP):				
Basic	<u>\$ 0.45</u>	<u>\$ (0.13)</u>	<u>\$ 1.47</u>	<u>\$ 1.19</u>
Diluted	<u>\$ 0.45</u>	<u>\$ (0.13)</u>	<u>\$ 1.45</u>	<u>\$ 1.19</u>
Core earnings per share (Non-U.S. GAAP):				
Basic	<u>\$ 0.53</u>	<u>\$ 0.05</u>	<u>\$ 2.10</u>	<u>\$ 0.53</u>
Diluted	<u>\$ 0.53</u>	<u>\$ 0.05</u>	<u>\$ 2.07</u>	<u>\$ 0.53</u>
Weighted average shares outstanding used in the calculations of earnings per share (U.S. GAAP):				
Basic	<u>193,904</u>	<u>198,053</u>	<u>193,689</u>	<u>202,497</u>
Diluted	<u>196,351</u>	<u>198,053</u>	<u>196,005</u>	<u>202,497</u>
Weighted average shares outstanding used in the calculations of earnings per share (Non-U.S. GAAP):				
Basic	<u>193,904</u>	<u>198,053</u>	<u>193,689</u>	<u>202,497</u>
Diluted	<u>196,351</u>	<u>199,967</u>	<u>196,005</u>	<u>204,269</u>

JABIL CIRCUIT, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA
RECONCILIATION OF U.S. GAAP FINANCIAL RESULTS TO NON-U.S. 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 U.S. GAAP operating income" for its most recently-ended quarter and dividing that by the average of its "net invested capital asset base" and (2) its "Core Return on Invested Capital" by annualizing its "after-tax non-U.S. GAAP core operating income" for its most recently-ended quarter and dividing that by the "average net invested capital asset base."

The Company calculates: (1) its "after-tax U.S. GAAP operating income" by subtracting a certain tax effect (the calculation of which is explained below) from its U.S. GAAP operating income and (2) its "after-tax non-U.S. GAAP core operating income" as its non-U.S. 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-U.S. GAAP core operating income to its U.S. 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 U.S. GAAP operating income" to (2) "Core Return on Invested Capital," as calculated using "after-tax non-U.S. GAAP core operating income":

	Three months ended	Twelve months ended
	August 31, 2015	August 31, 2015
Numerator:		
Operating income (U.S. GAAP)	\$ 150,383	\$ 555,411
Tax effect ⁽¹⁾	(29,498)	(136,083)
After-tax operating income	120,885	419,328
	x4	x1
Annualized after-tax operating income	<u>\$ 483,540</u>	<u>\$ 419,328</u>
Core operating income (Non-U.S. GAAP)	\$ 162,946	\$ 670,009
Tax effect ⁽²⁾	(29,103)	(137,385)
After-tax core operating income	133,843	532,624
	x4	x1
Annualized after-tax core operating income	<u>\$ 535,372</u>	<u>\$ 532,624</u>
Denominator:		
Average total Jabil Circuit, Inc. stockholders' equity ⁽³⁾	\$ 2,313,258	\$ 2,278,342
Average notes payable, long-term debt and capital lease obligations, less current installments ⁽³⁾	1,503,210	1,508,072
Average current installments of notes payable, long-term debt and capital lease obligations ⁽³⁾	167,599	168,396
Average cash and cash equivalents ⁽³⁾	(938,378)	(957,106)
Net invested capital asset base	<u>\$ 3,045,689</u>	<u>\$ 2,997,704</u>
Return on Invested Capital (U.S. GAAP)	15.9 %	14.0 %
Adjustments noted above	1.7 %	3.8 %
Core Return on Invested Capital (Non-U.S. GAAP)	17.6 %	17.8 %

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- (1) This amount is calculated by adding the amount of income taxes attributable to its operating income (U.S. GAAP) and its interest expense.
 - (2) This amount is calculated by adding the amount of income taxes attributable to its core operating income (Non-U.S. 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 for the three months ended August 31, 2015 and dividing by two. The average is based on the addition of the account balance at the end of the most recently-ended fiscal year to the account balance at the end of the prior fiscal year for the twelve months ended August 31, 2015 and dividing by two.