

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

	<u>November 30, 2013 (Unaudited)</u>	<u>August 31, 2013</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 769,223	\$ 1,011,373
Accounts receivable, net	1,430,997	1,281,425
Inventories	2,166,797	2,302,155
Prepaid expenses and other current assets	1,165,090	1,165,984
Income taxes receivable.....	26,280	13,048
Deferred income taxes	<u>50,308</u>	<u>46,260</u>
 Total current assets	 5,608,695	 5,820,245
Property, plant and equipment, net	2,474,466	2,395,598
Goodwill and intangible assets, net	762,666	740,435
Deferred income taxes	87,170	94,069
Other assets.....	<u>96,405</u>	<u>103,434</u>
 Total assets	 <u>\$ 9,029,402</u>	 <u>\$ 9,153,781</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of notes payable, long-term debt and capital lease obligations.....	\$ 117,230	\$ 215,536
Accounts payable.....	3,185,090	3,301,235
Accrued expenses	1,351,125	1,301,078
Income taxes payable.....	18,129	40,332
Deferred income taxes	<u>7,836</u>	<u>6,253</u>
 Total current liabilities.....	 4,679,410	 4,864,434
Notes payable, long-term debt and capital lease obligations, less current installments	1,677,824	1,690,426
Other liabilities	85,242	89,813
Income tax liabilities	90,490	80,368
Deferred income taxes	<u>78,688</u>	<u>73,173</u>
 Total liabilities.....	 <u>6,611,654</u>	 <u>6,798,214</u>
Commitments and contingencies		
Equity:		
Jabil Circuit, Inc. stockholders' equity:		
Preferred stock.....	—	—
Common stock.....	242	238
Additional paid-in capital	1,828,111	1,853,409
Retained earnings	1,172,105	1,071,175
Accumulated other comprehensive income	93,914	81,248
Treasury stock, at cost	<u>(703,500)</u>	<u>(670,783)</u>
 Total Jabil Circuit, Inc. stockholders' equity.....	 <u>2,390,872</u>	 <u>2,335,287</u>
Noncontrolling interests	<u>26,876</u>	<u>20,280</u>
 Total equity.....	 <u>2,417,748</u>	 <u>2,355,567</u>
 Total liabilities and equity	 <u>\$ 9,029,402</u>	 <u>\$ 9,153,781</u>

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

(in thousands, except for per share data)

(Unaudited)

	Three months ended	
	November 30, 2013	November 30, 2012
Net revenue	\$ 4,611,442	\$ 4,637,018
Cost of revenue	4,242,672	4,286,423
Gross profit	368,770	350,595
Operating expenses:		
Selling, general and administrative	158,095	169,600
Research and development	9,054	7,263
Amortization of intangibles	7,678	3,451
Restructuring and related charges	21,275	—
Operating income	172,668	170,281
Interest and other, net	33,822	30,663
Income before income tax	138,846	139,618
Income tax expense	20,781	34,034
Net income	118,065	105,584
Net income (loss) attributable to noncontrolling interests, net of income tax expense	143	(263)
Net income attributable to Jabil Circuit, Inc.	\$ 117,922	\$ 105,847
Earnings per share attributable to the stockholders of Jabil Circuit, Inc.:		
Basic	\$ 0.58	\$ 0.52
Diluted	\$ 0.57	\$ 0.51
Weighted average shares outstanding:		
Basic	204,762	204,318
Diluted	206,813	207,816

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

(In thousands)
(Unaudited)

	Three months ended	
	November 30, 2013	November 30, 2012
Cash flows from operating activities:		
Net income	\$ 118,065	\$ 105,584
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	125,596	95,203
Recognition of stock-based compensation expense and related charges	(24,566)	18,803
Deferred income taxes	(5,429)	(1,288)
Restructuring and related charges	782	—
Excess tax benefits related to stock awards	(714)	(330)
Other, net	3,691	3,116
Changes in operating assets and liabilities:		
Accounts receivable	(146,619)	(308,487)
Inventories	137,407	(195,316)
Prepaid expenses and other current assets	1,323	10,256
Other assets	(6,136)	233
Accounts payable and accrued expenses	(73,700)	424,119
Income taxes payable	(11,994)	21
Net cash provided by operating activities	<u>117,706</u>	<u>151,914</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(202,992)	(166,485)
Proceeds from sale of property, plant and equipment	5,819	1,981
Net cash used in investing activities	<u>(197,173)</u>	<u>(164,504)</u>
Cash flows from financing activities:		
Borrowings under debt agreements	2,066,000	776,517
Payments towards debt agreements	(2,180,326)	(787,196)
Dividends paid to stockholders	(19,261)	(18,551)
Cash paid to purchase noncontrolling interest	(1,720)	—
Net proceeds from exercise of stock options and issuance of common stock under employee stock purchase plan	—	3,201
Payments to acquire treasury stock	—	(129,262)
Treasury stock minimum tax withholding related to vesting of restricted stock	(32,717)	(19,908)
Capital contribution to noncontrolling interest	—	317
Excess tax benefit related to stock awards	714	330
Bank overdraft	3,396	—
Net cash used in financing activities	<u>(163,914)</u>	<u>(174,552)</u>
Effect of exchange rate changes on cash and cash equivalents	1,231	(80)
Net decrease in cash and cash equivalents	(242,150)	(187,222)
Cash and cash equivalents at beginning of period	1,011,373	1,217,256
Cash and cash equivalents at end of period	<u>\$ 769,223</u>	<u>\$ 1,030,034</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, 2013	November 30, 2012
Operating income (GAAP)	\$ 172,668	\$ 170,281
Amortization of intangibles	7,678	3,451
Stock-based compensation expense and related charges	(24,566)	18,803
Restructuring and related charges	21,275	—
Core operating income (Non-GAAP)	<u>\$ 177,055</u>	<u>\$ 192,535</u>
Net income attributable to Jabil Circuit, Inc. (GAAP)	\$ 117,922	\$ 105,847
Amortization of intangibles, net of tax	3,066	3,318
Stock-based compensation expense and related charges, net of tax	(24,598)	18,593
Restructuring and related charges, net of tax	18,067	—
Acquisition costs and purchase accounting adjustments, net of tax	(9,064)	—
Core earnings (Non-GAAP)	<u>\$ 105,393</u>	<u>\$ 127,758</u>
Earnings per share: (GAAP)		
Basic	<u>\$ 0.58</u>	<u>\$ 0.52</u>
Diluted	<u>\$ 0.57</u>	<u>\$ 0.51</u>
Core earnings per share: (Non-GAAP)		
Basic	<u>\$ 0.51</u>	<u>\$ 0.63</u>
Diluted	<u>\$ 0.51</u>	<u>\$ 0.61</u>
Weighted average shares outstanding used in the calculations of earnings per share (GAAP and Non-GAAP):		
Basic	<u>204,762</u>	<u>204,318</u>
Diluted	<u>206,813</u>	<u>207,816</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 of its "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" by subtracting a certain tax effect (the calculation of which is explained below) from its non-GAAP core operating income. 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 "net invested capital asset base" as the sum of the averages (the calculations of which are explained below) of (1) its stockholders' equity, (2) the non-current portion of its notes payable, long-term debt and capital lease obligations and (3) the current portion 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, 2013	November 30, 2012
Numerator:		
Operating income (GAAP)	\$ 172,668	\$ 170,281
Tax effect (1)	(20,857)	(34,292)
After-tax operating income	151,811	135,989
	x4	x4
Annualized after-tax operating income	\$ 607,244	\$ 543,956
Core operating income (Non-GAAP)	\$ 177,055	\$ 192,535
Tax effect (2)	(37,831)	(34,602)
After-tax core operating income	139,224	157,933
	x4	x4
Annualized after-tax core operating income	\$ 556,896	\$ 631,732
Denominator:		
Average total Jabil Circuit, Inc. stockholders' equity (3)	\$ 2,363,080	\$ 2,089,385
Average notes payable, long-term debt and capital lease obligations, less current installments (3)	1,684,125	1,657,192
Average current installments of notes payable, long-term debt and capital lease obligations (3)	166,383	13,841
Average cash and cash equivalents (3)	(890,298)	(1,123,645)
Net invested capital asset base	\$ 3,323,290	\$ 2,636,773
Return on Invested Capital (GAAP)	18.3%	20.6%
Adjustments noted above	(1.5)%	3.4%
Core Return on Invested Capital (Non-GAAP)	16.8%	24.0%

- (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.