



September 26, 2008

## Jabil Reports Fourth Quarter Results

*Fiscal Year 2008 Operating Income Increased 38 Percent*

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Fourth Quarter 2008](#)

[Forward - Looking Statement](#)

**St. Petersburg, FL - September 26, 2008**...Jabil Circuit, Inc. (NYSE: JBL), today reported its preliminary, unaudited financial results for the company's fourth quarter and fiscal year 2008, ended August 31, 2008. "We are pleased to be able to post targeted results this quarter given the challenging macro environment," said President and CEO Timothy L. Main.

*(Definitions used: "GAAP" means generally accepted accounting principles in the United States of America. Jabil defines core operating income as GAAP operating income before amortization of intangibles, stock-based compensation expense and related charges, acquisition-related charges and restructuring and impairment charges. Jabil defines core operating margin as core operating income divided by net revenue. Jabil defines core earnings as GAAP net income before amortization of intangibles, stock-based compensation expense and related charges, acquisition-related charges, restructuring and impairment charges and certain other income/loss, net of tax. Jabil defines core earnings per share as core earnings divided by the weighted average number of outstanding shares determined under GAAP. Jabil reports core operating income, core earnings and core earnings per share to provide investors with an alternative method for assessing operating income, earnings and earnings per share from what it believes are its core manufacturing operations. See the accompanying reconciliation of Jabil's core operating income to its GAAP operating income and Jabil's core earnings and core earnings per share to its GAAP net income and GAAP earnings per share and additional information in the supplemental information.)*

### **Fourth Quarter 2008**

Net revenue for the fourth quarter of fiscal 2008 increased four percent to \$3.3 billion compared to \$3.1 billion for the same period of fiscal 2007.

GAAP operating income for the fourth quarter of fiscal 2008 increased 74 percent to \$87.8 million compared to \$50.5 million for the same period of fiscal 2007. GAAP net income for the fourth quarter of fiscal 2008 increased 390 percent to net income of \$57.5 million compared to \$11.7 million of net income for the same period in fiscal 2007. GAAP diluted earnings per share for the fourth quarter of fiscal 2008 increased 367 percent to net income per share of \$0.28 compared to \$0.06 of earnings per share for the same period of fiscal 2007.

Jabil's fourth quarter of fiscal 2008 core operating income increased one percent to \$104.7 million or 3.2 percent of net revenue compared to \$103.8 million or 3.3 percent of net revenue for the fourth quarter of fiscal 2007. Core earnings increased three percent to \$61.7 million compared to \$59.9 million for the fourth quarter of fiscal 2007. Core earnings per share increased 3 percent to \$0.30 per diluted share for the period compared to \$0.29 for the fourth quarter of fiscal 2007.

### **Fiscal Year 2008**

Net revenue for the fiscal year increased four percent to \$12.8 billion compared to \$12.3 billion for fiscal 2007.

GAAP operating income for fiscal 2008 increased 38 percent to \$251.4 million compared to \$181.9 million for fiscal 2007. GAAP net income for fiscal 2008 increased 83 percent to \$133.9 million compared to \$73.2 million for fiscal 2007. GAAP diluted earnings per share for fiscal 2008 increased 86 percent to \$0.65 compared to \$0.35 for fiscal 2007.

Jabil's fiscal 2008 core operating income increased 15 percent to \$379.9 million or 3.0 percent of net revenue compared to \$331.6 million or 2.7 percent of net revenue for fiscal 2007. Core earnings increased 18 percent to \$231.0 million compared to \$196.2 million for fiscal 2007. Core earnings per share increased 18 percent to \$1.12 per diluted share for the period, compared to \$0.95 for fiscal 2007.

### **Sequential Fourth Quarter 2008 Operational and Balance Sheet Highlights**

- GAAP operating income increased 39 percent. Core operating income increased 23 percent.

- | GAAP earnings grew \$0.09 per fully diluted share. Core earnings increased \$0.04 per fully diluted share.
- | Cash flow used in operations for the fourth quarter of fiscal 2008 was approximately \$7 million.
- | Sales cycle was 20 days for the fourth quarter of fiscal 2008.
- | Effective core tax rate for the quarter was 25 percent.
- | Annualized inventory turns remained constant at eight turns for the fourth quarter of fiscal 2008.
- | Capital expenditures for the fourth quarter of fiscal 2008 were approximately \$123 million.
- | Depreciation for the fourth quarter of fiscal 2008 was approximately \$62 million.
- | Cash and cash equivalent balances were \$773 million at the end of the fourth fiscal quarter.
- | Core Return on Invested Capital was 10 percent for the fourth quarter of fiscal 2008.
- | A \$0.07 dividend was paid on September 2, 2008.

## **Business Update**

The company expects first fiscal quarter of 2009 net revenue in a range of \$3.40 billion to \$3.60 billion, with an estimated core operating margin range of 3.0 to 3.4 percent. Jabil said its core earnings per share for its first quarter of fiscal 2009 are anticipated to be in a range of \$0.30 to \$0.38 per diluted share. GAAP earnings per share are estimated to be \$0.20 to \$0.28 per diluted share. (GAAP for the first quarter of fiscal 2009 earnings per share are currently estimated to include \$0.03 per share for amortization of intangibles and \$0.07 per share for stock-based compensation and related charges.)

"The ramifications of the financial market conditions on the overall global economy are difficult to predict," said Jabil President and CEO Tim Main. "Jabil has diversified its business over a wide range of sectors and we believe this affords us some resilience in a downturn. We remain focused on developing the markets we serve and running efficient operations as we move into the first quarter of fiscal 2009," said Main.

Given the uncertainty in the financial markets, Main also commented on the company's current financial condition. "We have significant liquidity relative to our capital requirements over the next twelve months. In total, we have over \$1.5 billion in available cash and credit facilities," he said. "We will continue to focus on capital efficiency as we expand our business in fiscal 2009," Main said.

## **Supplemental Information**

The financial results disclosed in this release include certain measures calculated and presented in accordance with GAAP. In addition to the GAAP financial measures, Jabil provides supplemental, non-GAAP financial measures to facilitate evaluation of Jabil's core operating performance. The non-GAAP financial measures disclosed in this release exclude certain amounts that are included in the most directly comparable GAAP measures. The non-GAAP or core financial measures disclosed in this release do not have standard meanings and may vary from the non-GAAP financial measures used by other companies. Management believes core financial measures (which exclude the effects of the amortization of intangibles, stock-based compensation expense and related charges, acquisition-related charges, restructuring and impairment charges and certain other income/loss) are a useful measure that facilitates evaluating the past and future performance of Jabil's ongoing operations on a comparable basis. Jabil reports core operating income, core operating margin, core earnings and core earnings per share to provide investors with an alternative method for assessing operating income, earnings and earnings per share from what it believes are its core manufacturing operations. Included in this release is a Condensed Consolidated Statement of Earnings as well as a reconciliation of the disclosed core financial measures to the most directly comparable GAAP financial measures.

## **Company Conference Call Information**

Jabil will hold a conference call to discuss the fourth fiscal quarter and full fiscal year 2008 earnings today at 8:00 a.m. EDT live on the Internet at <http://jabil.com>. The earnings conference call will be recorded and archived for playback on the web at <http://jabil.com>. A taped replay of the conference call will also be available September 26, 2008 at approximately 9:00 a.m. EDT through midnight on October 3, 2008. To access the replay, call (800) 642-1687 from within the United States, or (706) 645-9291 outside the United States. The pass code is 65113788. An archived webcast of the conference call will be available at <http://jabil.com/investors/>.

## **About Jabil**

Jabil is an electronic product solutions company providing comprehensive electronics design, manufacturing and product management services to global electronics and technology companies. Jabil helps bring electronics products to the market faster and more cost effectively by providing complete product supply chain management around the world. With approximately 75,000 employees and facilities in 22 countries, Jabil provides comprehensive, individualized-focused solutions to customers in a broad range of industries. Jabil common stock is traded on the New York Stock Exchange under the symbol, "JBL". Further information is available on the company's website: [jabil.com](http://jabil.com).

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