



June 22, 2010

Jabil Results Top Third Quarter Expectations

Operating Income Increases 56 Percent Sequentially

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Third Quarter 2010](#)

[Forward - Looking Statement](#)

St. Petersburg, FL - June 22, 2010...Jabil Circuit, Inc. (NYSE: JBL), reported its preliminary, unaudited financial results for the third quarter of fiscal year 2010, ended May 31, 2010. "Growth is accelerating and we now expect fiscal 2010 to be a record year for Jabil in terms of revenue and earnings," said Timothy L. Main, President and CEO. "We believe the company is uniquely well positioned for sustained growth and positive financial performance."

(Definitions used: "GAAP" means U.S. generally accepted accounting principles. Jabil defines core operating income as GAAP operating income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customer charges and loss on disposal of subsidiary. Jabil defines core earnings as GAAP net income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customer charges, loss on disposal of subsidiary, certain other expenses, net of tax and certain deferred tax valuation allowance charges. 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 additional 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.)

Third Quarter 2010

Net revenue for the third quarter of fiscal 2010 was \$3.5 billion compared to \$2.6 billion for the same period of fiscal 2009.

GAAP results:

GAAP operating income for the third quarter of fiscal 2010 was \$96.5 million compared to a loss of \$7.8 million for the same period of fiscal 2009.

GAAP net income for the third quarter of fiscal 2010 was \$52.0 million compared to a net loss of \$28.8 million for the same period of fiscal 2009.

GAAP diluted earnings per share for the third quarter of fiscal 2010 was \$0.24 compared to a loss per share of \$0.14 for the same period of fiscal 2009.

Core results:

Core operating income for the third quarter of fiscal 2010 was \$131.9 million or 3.8 percent of net revenue compared to \$29.0 million or 1.1 percent of net revenue for the same period of fiscal 2009.

Core earnings for the third quarter of fiscal 2010 were \$86.7 million compared to \$8.5 million for the same period of fiscal 2009.

Core diluted earnings per share for the third quarter of fiscal 2010 was \$0.40 compared to \$0.04 for the same period of fiscal 2009.

Sequential Third Quarter Fiscal 2010 Operational Highlights

- | GAAP operating income increased 56.3 percent.
- | GAAP earnings increased \$0.10 per fully diluted share.
- | Core operating income increased 38.0 percent.
- | Core earnings increased \$0.11 per fully diluted share.

Balance Sheet and Cash Flow Highlights

- | Cash flow from operations for the quarter was approximately \$37 million.
- | Sales cycle was 16 days for the third quarter of fiscal 2010.
- | Annualized inventory turns were seven turns for the third quarter of fiscal 2010.
- | Capital expenditures for the third quarter of fiscal 2010 were approximately \$129 million.
- | Depreciation for the third quarter of fiscal 2010 was approximately \$63 million.
- | Cash and cash equivalent balances were \$600 million at the end of the third quarter of fiscal 2010.
- | Core return on invested capital was 22 percent for the third quarter of fiscal 2010.
- | A \$0.07 dividend was paid on June 1, 2010.

Jabil also announced that it has entered into a letter of intent to divest its remaining manufacturing operations in France and Italy. Divested operations would include four sites and approximately 1,500 people. This transaction is expected to close during the course of the fourth fiscal quarter and is subject to final negotiation of acquisition related documents, customary regulatory filings and approvals and consultation with and approval of employees and their representatives. The company currently anticipates that the loss on divested operations to be approximately \$0.05 per share.

Business Update

"Our presence in rapidly growing sectors such as healthcare and life sciences, clean tech and advanced enterprise IT hardware is expected to be complemented by strong growth in smart phone devices and mechanical components," said Timothy L Main, Jabil's President and CEO.

Jabil management indicated that it expects net revenue for its fourth quarter of fiscal 2010 to increase 10 to 16 percent sequentially, ranging from \$3.8 billion to \$4.0 billion.

Jabil estimated that its core operating income for its fourth quarter of fiscal 2010 will grow 9 to 21 percent sequentially, ranging from 3.8 to 4.0 percent of net revenue.

Jabil indicated that it expects its core earnings per share for its fourth quarter of fiscal 2010 to improve 13 to 25 percent sequentially, ranging from \$0.45 to \$0.50 per diluted share.

GAAP earnings per share are expected to be in a range from \$0.28 to \$0.34 per diluted share. (GAAP earnings per share for the fourth quarter of fiscal 2010 is currently estimated to include \$0.03 per share for amortization of intangibles; \$0.07 to \$0.08 per share for stock-based compensation and related charges; \$0.01 per share for restructuring and impairment charges; and \$0.05 per share for loss on disposal of subsidiary.)

"We remain focused on superior execution and satisfaction of our customers' needs as they deal with an increasingly complex and changing world. We expect to increase our share in targeted markets while delivering financial results consistent with our long-term objectives," 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, restructuring and impairment charges, goodwill impairment charges, certain distressed customer charges, loss on disposal of subsidiary, certain other expenses, net of tax and certain deferred tax valuation allowance charges) 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 return on invested capital, core earnings and core earnings per share to provide investors with an additional method for assessing operating income, earnings and earnings per share from what it believes are its core manufacturing operations. Included in this release are Condensed Consolidated Statements of Operations 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 third fiscal quarter 2010 earnings today at 4:30 p.m. ET live on the Internet at <http://www.jabil.com>. The earnings conference call will be recorded and archived for playback on the web at <http://www.jabil.com>. A taped replay of the conference call will also be available June 22, 2010 at approximately 7:30 p.m. ET through midnight on June 29, 2010. 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 82061298. An archived webcast of the conference call will be available at <http://www.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. Offering complete product supply chain management from 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 Jabil's website: jabil.com.

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