



September 25, 2012

## Jabil Posts Fourth Quarter & Fiscal Year 2012 Results

### Record Fiscal Year Despite Macro Weakness

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Fourth Quarter & Fiscal Year 2012 Results](#)

[Forward - Looking Statement](#)

**St. Petersburg, FL - September 25, 2012...**Today Jabil Circuit, Inc. (NYSE: JBL), announced its preliminary, unaudited financial results for the fourth quarter and full fiscal year, ended August 31, 2012. The company reported fourth quarter revenue of \$4.3 billion and fiscal year revenue of \$17.2 billion. "In this environment, posting another record fiscal year in revenue, income and earnings was quite an achievement," said Timothy L. Main, President and CEO of Jabil.

Market share gains, new customer wins and new production from existing customers allowed Jabil to grow its targeted markets during the fiscal year while most of the industry contracted. Jabil's Diversified Manufacturing Services business grew 24 percent in fiscal 2012. Although Jabil picked up share gains in its Enterprise & Infrastructure business during the year, overall demand weakened, resulting in a decrease of 2 percent from fiscal 2011. Jabil's High Velocity business declined 14 percent during the fiscal year.

"Results for the fourth quarter were negatively impacted by a challenging new program ramp in our Specialized Services sector," said Main. "Additionally demand remained weak in most of our business segments." Generally accepted accounting principles (GAAP) operating income for the quarter was \$144 million. These results were negatively impacted by a distressed customer charge of \$5.9 million. Excluding amortization of intangibles, stock-based compensation and distressed customer charges, operating income was \$175 million. GAAP diluted earnings per share was \$0.39 cents and core diluted earnings per share was \$0.54 cents.

"We are pleased to have generated cash flow from operations of \$443 million during the quarter and \$634 million over the course of the year. Due to this outstanding performance and ongoing strength of the balance sheet, we were able to return \$136 million in capital to shareholders during the fiscal year through dividends and share repurchases," said Chief Financial Officer Forbes Alexander. "We see this positive performance continuing and are estimating operating cash flow of \$1 billion in fiscal 2013," Alexander noted.

Management also announced that the Jabil Board of Directors has authorized the repurchase of up to \$100 million worth of shares of the Company's common stock during the next twelve months. The shares will be repurchased from time-to-time in open market or through privately negotiated transactions at the Company's discretion, subject to factors such as market conditions, levels of cash generation from operations, cash requirements for capital expenses and acquisitions and stock price. The repurchased shares should help to minimize the dilution from the Company's employee equity issuance.

*(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, settlement of receivables and related charges and loss on disposal of subsidiaries. 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, settlement of receivables and related charges, loss on disposal of subsidiaries, certain other expenses, net of tax and certain deferred tax valuation allowance charges. Jabil defines core diluted earnings per share as core earnings divided by the weighted average number of outstanding diluted shares determined under GAAP. Jabil calculates core return on invested capital by annualizing its after-tax core operating income for its most recently-ended quarter and dividing that by a two quarter average net invested capital base. Jabil reports core operating income, core earnings, core diluted earnings per share and core return on invested capital to provide investors an additional method for assessing operating income, earnings, diluted earnings per share and return on invested capital from what it believes are its core manufacturing operations. See the accompanying reconciliation of Jabil's core operating income to its GAAP operating income, its calculation of core earnings and core diluted earnings per share to its GAAP net income and GAAP earnings per share, its calculation of core return on invested capital and additional information in the supplemental information.)*

### Operational Highlights Fiscal 2012 versus Fiscal 2011

- | Revenue from Diversified Manufacturing Services increased 24 percent.
  - | Specialized Services revenue expanded 48 percent.
  - | Healthcare & Instrumentation revenue grew 7 percent.
  - | Industrial & Clean Tech revenue improved 2 percent.
- | Enterprise & Infrastructure revenue contracted by 2 percent.
- | High Velocity revenue decreased 14 percent.
- | Generated \$634 million in cash flow from operations during fiscal 2012.
- | GAAP return on invested capital of 22 percent.
- | Returned \$65 million in dividends to shareholders during fiscal 2012.

<b>Quarterly Results</b>	<b>Q4 2012</b>	<b>Q4 2011</b>
Net revenue	\$4.3 billion	\$4.3 billion
GAAP operating income	\$144.3 million	\$165.6 million
GAAP net income	\$82.8 million	\$114.3 million
GAAP diluted earnings per share	\$0.39	\$0.52
GAAP return on invested capital	17%	26%
Core operating income	\$175.1 million	\$187.2 million
Core earnings	\$113.3 million	\$136.3 million
Core diluted earnings per share	\$0.54	\$0.62
Core return on invested capital	22%	30%

<b>Fiscal Year Results</b>	<b>Fiscal 2012</b>	<b>Fiscal 2011</b>
Net revenue	\$17.2 billion	\$16.5 billion
GAAP operating income	\$621.9 million	\$578.7 million
GAAP net income	\$394.7 million	\$381.1 million
GAAP diluted earnings per share	\$1.87	\$1.73
GAAP return on invested capital	22%	23%
Core operating income	\$736.2 million	\$715.2 million
Core earnings	\$507.1 million	\$516.3 million
Core diluted earnings per share	\$2.40	\$2.34
Core return on invested capital	26%	29%

### **Business Update**

"We are fortunate to have a healthy balance sheet, strong operations, dedicated employees and a roster of market-leading customers heading into fiscal 2013," said Jabil CEO Timothy Main. "While the macroeconomic climate remains challenging, our long-term goals and competitive position are intact and we expect earnings to increase between five and ten percent in fiscal 2013." Jabil provided guidance for its first fiscal quarter of 2013, which began on September 1st.

### **Fiscal Q1 2013 Guidance Range**

Net revenue	\$4.3 to \$4.5 billion
GAAP operating income	\$140 to \$175 million
GAAP earnings per share	\$0.37 to \$0.50 per diluted share
Core operating income	\$170 to \$200 million
Core earnings per share	\$0.51 to \$0.62 per diluted share

(GAAP earnings per share for the first quarter of fiscal 2013 are currently estimated to include \$0.02 per share for amortization of intangibles and \$0.10 to \$0.12 per share for stock-based compensation).

**FORWARD LOOKING STATEMENT:** *This news release contains forward-looking statements, including those regarding our anticipated financial results for our fourth quarter of fiscal year 2012; our estimated operating cash flows in fiscal year 2013; potential repurchases of our common stock; our balance sheet, operations, employees and roster of customers heading into fiscal year 2013; the macroeconomic climate; our long-term goals and competitive position; our fiscal year 2013 earnings and our currently expected first quarter of fiscal year 2013 net revenue, core operating income, core and GAAP earnings per share results and the components thereof. The statements in this news release are based on current expectations, forecasts and assumptions involving risks and uncertainties*

*that could cause actual outcomes and results to differ materially. These risks and uncertainties include, but are not limited to: our determination as we finalize our financial results for our fourth fiscal quarter of fiscal year 2012 that our financial results and conditions differ from our current preliminary unaudited numbers set forth herein; fluctuations in our stock's market price; fluctuations in operating results and cash flows; unexpected, adverse seasonal impacts on demand; changes in macroeconomic conditions, both in the U.S. and internationally; our financial performance during and after the current economic conditions; our ability to maintain and improve costs, quality and delivery for our customers; risks and costs inherent in litigation; whether our realignment of our capacity will adversely affect our cost structure, ability to service customers and labor relations; our ability to take advantage of perceived benefits of offering customers vertically integrated services; changes in technology; competition; anticipated growth for us and our industry that may not occur; managing rapid growth; managing rapid declines in customer demand and other related customer challenges that may occur; our ability to successfully consummate acquisitions and divestitures; managing the integration of businesses we acquire (including, with respect to the acquisition of the Italian and French sites, potential unknown liabilities and the costs associated with addressing potential reduced business activity at these sites); risks associated with international sales and operations; retaining key personnel; our dependence on a limited number of large customers; business and competitive factors generally affecting the electronic manufacturing services industry, our customers and our business; other factors that we may not have currently identified or quantified; and other risks, relevant factors and uncertainties identified in our Annual Report on Form 10-K for the fiscal year ended August 31, 2011, subsequent Reports on Form 10-Q and Form 8-K and our other securities filings. Jabil disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

**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, settlement of receivables and related charges, loss on disposal of subsidiaries, 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 diluted earnings per share to provide investors 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 fourth fiscal quarter 2012 earnings today at 4:30 p.m. ET live on the Internet at <http://www.jabil.com>. The call will be recorded and archived on the web at <http://www.jabil.com>. A taped replay of the conference call will also be available September 25, 2012 at approximately 7:30 p.m. ET through midnight on October 2, 2012. To access the replay, call (855) 859-2056 from within the United States, or (404) 537-3406 outside the United States. The pass code is: 29777922. 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 aftermarket product management services to global electronics and technology companies. Offering complete product supply chain management from facilities in 29 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](http://www.jabil.com).

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