



June 18, 2014

Jabil Reports Third Quarter Results

Reiterates Fiscal 2015 Outlook

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Third Quarter 2014](#)

[Forward-Looking Statement](#)

St. Petersburg, FL - June 18, 2014...Today Jabil Circuit, Inc. (NYSE: JBL), announced preliminary, unaudited financial results for its third quarter of fiscal year 2014.

The company reported third quarter revenue of \$3.8 billion.

Jabil's three reporting segments delivered the following revenue results for the company's third fiscal quarter:

- | Diversified Manufacturing Services: \$1.6 billion.
- | Enterprise & Infrastructure: \$1.3 billion.
- | High Velocity Systems: \$0.9 billion.

Generally accepted accounting principles (GAAP) operating loss for the third quarter was (\$1.6) million and GAAP net diluted income per share was \$0.93. The company indicated that \$12.4 million in restructuring costs during the quarter negatively impacted GAAP operating income and that \$238.5 million in gain on sale of discontinued operations, net of tax positively impacted GAAP net income.

Core operating income (as defined below) was \$45.3 million and core diluted loss per share (as defined below) was (\$0.06).

"Our third fiscal quarter performed largely as planned and is highlighted by a strong balance sheet performance, driven by significant cash flow from operations and a total cash position of \$1.3 billion," said Forbes Alexander, Chief Financial Officer. "We believe the strength of our balance sheet positions us well as we consider strategic investments in key growth areas in fiscal 2015," he added.

(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 related charges, distressed customer charges, acquisition costs and certain purchase accounting adjustments, loss on disposal of subsidiaries, settlement of receivables and related charges, impairment of notes receivable and related charges and goodwill impairment charges. Jabil defines core earnings as GAAP net income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and related charges, distressed customer charges, acquisition costs and certain purchase accounting adjustments, loss on disposal of subsidiaries, settlement of receivables and related charges, impairment of notes receivable and related charges, goodwill impairment charges, income (loss) from discontinued operations, gain on sale of discontinued operations and 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 as determined under GAAP. Jabil calculates its 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 and basic 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.)

Quarterly Results:	Q3 2014	Q3 2013
Net revenue	\$3.8 billion	\$4.2 billion
GAAP operating (loss) income	(\$1.6) million	\$93.1 million
GAAP net income	\$188.3 million	\$50.1 million
GAAP net diluted earnings per share	\$0.93	\$0.24
GAAP return on invested capital	(2.6%)	10.5%
Core operating income	\$45.3 million	\$158.6 million
Core (loss) earnings	(\$11.3) million	\$98.2 million
Core diluted (loss) earnings per share	(\$0.06)	\$0.47
Core return on invested capital	2.6%	19.2%

Fiscal Fourth Quarter Guidance:

Net revenue	\$3.7 billion to \$3.9 billion
GAAP operating (loss) income	(\$3) million to \$47 million
GAAP net diluted loss per share	(\$0.30) to (\$0.05) per diluted share
Core operating income	\$40 million to \$80 million
Core (loss) earnings per share	(\$0.10) to \$0.10 per diluted share

GAAP net diluted earnings per share for the fourth quarter of fiscal year 2014 are currently estimated to include \$0.03 per share for amortization of intangibles, \$0.07 per share for stock-based compensation expense and related charges, \$0.05 to \$0.10 per share for restructuring and related charges.

Year over Year Fourth Quarter Segment Revenue Guidance:

- | Diversified Manufacturing Services to decline 6 percent.
- | Enterprise & Infrastructure to decline 7 percent.
- | High Velocity Systems to decline 38 percent.

"We remain confident in our fiscal year 2015 outlook as we anticipate growth in several key areas within our business," said Mark T. Mondello, Chief Executive Officer. "As we find ourselves immersed in a multitude of exciting product ramps, I'd like to acknowledge and thank our global workforce as they serve and delight our customers each and every day. Exceptional customer care is a catalyst for delivering value to our shareholders," Mondello added.

Management maintains its fiscal year 2015 outlook of \$1.65 to \$1.95 core earnings per share.

FORWARD LOOKING STATEMENT: *This news release contains forward-looking statements, including those regarding our anticipated financial results for our third quarter of fiscal year 2014; the strength of our balance sheet and its effect on our plans to consider strategic investments in key growth areas in fiscal 2015; our currently expected fourth quarter of fiscal year 2014 net revenue (including that of our segments), core operating income, GAAP operating (loss) income, core and GAAP earnings (loss) per share results and the components thereof; our fiscal 2015 outlook; our anticipated growth in several key areas within our business; product ramps throughout the company; and our currently expected fiscal year 2015 core earnings per share. 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 third quarter of fiscal year 2014 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; the occurrence of, success and expected financial results from, the expected multiple product ramps; 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; 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, 2013, subsequent Reports on Forms 10-Q and 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 related charges, distressed customer charges, acquisition costs and certain purchase accounting adjustments, loss on disposal of subsidiaries, settlement of receivables and related charges, impairment of notes receivable and related charges, goodwill impairment charges, income (loss) from discontinued operations, gain on sale of discontinued operations and 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 and basic 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 third quarter of fiscal year 2014 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 June 18, 2014 at approximately 7:30 p.m. ET through midnight on June 25, 2014. 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: 56200882. 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 and manufacturing product management services to global electronics and technology companies. Offering complete product supply chain management from facilities in 24 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).

Investor & Media Contact:

Beth Walters

Senior Vice President, Investor Relations & Communications

Jabil Circuit, Inc.

(727) 803-3511

beth_walters@jabil.com