



June 19, 2013

Jabil Posts Third Quarter Results

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Third Quarter 2013](#)

[Forward-Looking Statement](#)

St. Petersburg, FL - June 19, 2013...Today Jabil Circuit, Inc. (NYSE: JBL), announced preliminary, unaudited financial results for its third quarter of fiscal year 2013. For the quarter, Jabil's revenue increased 5.1 percent to \$4.5 billion, over the third quarter of fiscal year 2012.

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

- | Diversified Manufacturing: \$1.8 billion.
- | Enterprise & Infrastructure: \$1.4 billion.
- | High Velocity: \$1.3 billion.

"We are pleased with our progress on the diversification of our business and the positive benefits it affords the company," said Jabil's Chief Executive Officer, Mark T. Mondello. "We expect this diversification to continue during our fourth fiscal quarter as we finalize our acquisition of Nypro, which is expected to close on the 1st of July," he said.

Other highlights from the quarter included producing \$504 million cash flow from operations. "Thanks to the dedication of our global workforce, we have generated \$810 million cash flow from operations year to date and are on track to deliver \$1 billion for our full fiscal year," said Mondello.

Generally accepted accounting principles (GAAP) operating income for the third quarter of fiscal year 2013 was \$103.7 million and GAAP diluted earnings per share were 24 cents. The company said that \$28 million in restructuring activity and a \$26 million non-cash charge related to a note receivable and related charges impacted GAAP operating income.

Core operating income results excluding amortization of intangibles, stock-based compensation, restructuring and related charges and impairment of notes receivable and related charges was \$176.9 million and core diluted earnings per share was 56 cents.

(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, impairment of notes receivable and related 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 related charges, impairment of notes receivable and related 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 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 2013	Q3 2012
Net revenue	\$4.5 billion	\$4.3 billion
GAAP operating income	\$103.7 million	\$156.6 million
GAAP net income	\$49.6 million	\$101.6 million
GAAP diluted earnings per share	\$0.24	\$0.48
GAAP return on invested capital	12.0%	19.1%

Core operating income	\$176.9 million	\$190.3 million
Core earnings	\$115.6 million	\$134.4 million
Core diluted earnings per share	\$0.56	\$0.64
Core return on invested capital	21.8%	24.0%

Fiscal Q4 2013 Guidance, including Nypro acquisition:

Net revenue	\$4.45 billion to \$4.65 billion
Core operating income	\$165 million to \$185 million
Core earnings per share	\$0.50 to \$0.58 per diluted share
GAAP operating income	\$63 million to \$83 million
GAAP earnings per share	\$0.04 to \$0.12 per diluted share

Jabil indicated it expects to incur Nypro-related acquisition costs and purchase accounting adjustments of \$10 million during its fourth fiscal quarter. This sum is excluded from the above core operating guidance.

(GAAP earnings per share for the fourth quarter of fiscal 2013 are currently estimated to include \$0.02 per share for amortization of intangibles, \$0.08 per share for stock-based compensation, \$0.32 per share for restructuring and related charges and \$.04 for acquisition related charges and adjustments.)

Year over Year Segment Revenue Guidance:

- | Diversified Manufacturing Services to remain consistent
- | Enterprise & Infrastructure to remain consistent.
- | High Velocity to increase fifteen percent

In addition to the segment guidance, Jabil announced its intention to realign its global operations to more appropriately reflect current market conditions and customer needs. The company indicated that they began consultation with employees during the third fiscal quarter. Jabil management did not provide specific locations under consideration out of respect for employees, their families and their representatives, and statutory and consultation periods required. The company currently estimates that the realignment could result in approximately \$188 million of charges, including the \$28 million of charges incurred during the company's third quarter. It is currently estimated that \$60 to \$70 million will be recorded in Jabil's fourth fiscal quarter of 2013 and the balance during its fiscal years 2014 and 2015. Jabil estimates that the majority of the \$140 million cash associated with these actions will be used in fiscal 2014.

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, impairment of notes receivable and related 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 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 fiscal quarter 2013 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 19, 2013 at approximately 7:30 p.m. ET through midnight on June 26, 2013. 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: 91127885. 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 30 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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