

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

(Unaudited)

	August 31, 2011	August 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 888,611	\$ 744,329
Trade accounts receivable, net	1,100,926	1,408,319
Inventories	2,227,339	2,094,135
Prepaid expenses and other current assets	868,892	349,165
Income taxes receivable	33,855	35,560
Deferred income taxes	15,737	22,510
Total current assets	5,135,360	4,654,018
Property, plant and equipment, net	1,641,335	1,451,392
Goodwill and intangible assets, net	125,305	132,568
Deferred income taxes	74,989	55,101
Other assets	80,951	74,668
Total assets	\$ 7,057,940	\$ 6,367,747
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of notes payable and long-term debt	\$ 74,160	\$ 167,566
Accounts payable	2,885,168	2,741,719
Accrued expenses	892,391	672,252
Income taxes payable	32,987	19,236
Deferred income taxes	5,182	4,401
Total current liabilities	3,889,888	3,605,174
Notes payable and long-term debt, less current installments	1,112,594	1,018,930
Income tax liability	88,451	86,351
Deferred income taxes	15,761	1,462
Other liabilities	67,423	63,058
Total liabilities	5,174,117	4,774,975
Equity:		
Jabil Circuit, Inc. stockholders' equity		
Common stock	225	220
Additional paid-in capital	1,649,431	1,541,507
Retained earnings	441,793	123,303
Accumulated other comprehensive income	194,706	122,062
Treasury stock at cost	(419,035)	(209,046)
Total Jabil Circuit, Inc. stockholders' equity	1,867,120	1,578,046
Noncontrolling interests	16,703	14,726
Total equity	1,883,823	1,592,772
Total liabilities and equity	\$ 7,057,940	\$ 6,367,747

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except for per share data)

(Unaudited)

	Three months ended		Twelve months ended	
	August 31, 2011	August 31, 2010	August 31, 2011	August 31, 2010
Net revenue	\$ 4,280,295	\$ 3,860,933	\$ 16,518,827	\$ 13,409,411
Cost of revenue	3,951,092	3,573,425	15,264,257	12,405,267
Gross profit	329,203	287,508	1,254,570	1,004,144
Operating expenses:				
Selling, general and administrative	152,204	160,512	590,572	589,738
Research and development	6,209	6,632	25,034	28,085
Amortization of intangibles	5,230	5,980	22,051	25,934
Restructuring and impairment charges	-	2,512	628	8,217
Loss on disposal of subsidiaries	-	8,882	23,944	24,604
Settlement of receivables and related charges	-	-	13,607	-
Operating income	165,560	102,990	578,734	327,566
Interest, net and other	24,527	19,704	97,547	80,299
Income before income taxes	141,033	83,286	481,187	247,267
Income tax expense	25,492	23,910	98,229	76,501
Net income	115,541	59,376	382,958	170,766
Net income (loss) attributable to noncontrolling interests, net of income tax expense	1,253	685	1,895	1,926
Net income attributable to Jabil Circuit, Inc.	\$ 114,288	\$ 58,691	\$ 381,063	\$ 168,840
Earnings per share:				
Income attributable to the stockholders of Jabil Circuit, Inc.:				
Basic	\$ 0.54	\$ 0.27	\$ 1.78	\$ 0.79
Diluted	\$ 0.52	\$ 0.27	\$ 1.73	\$ 0.78
Weighted average shares outstanding:				
Basic	212,753	214,011	214,502	214,332
Diluted	219,494	215,997	220,719	217,597

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)
(Unaudited)

	Twelve months ended	
	August 31, 2011	August 31, 2010
Cash flows from operating activities:		
Net income	\$ 382,958	\$ 170,766
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	319,179	283,284
Recognition of stock-based compensation expense.....	76,230	104,609
Settlement of receivables and related charges	12,673	—
Loss on disposal of subsidiaries	23,944	18,671
Other, net	12,804	20,036
Change in operating assets and liabilities, exclusive of net assets acquired:		
Trade accounts receivable	48,232	(247,133)
Inventories	(158,545)	(969,348)
Prepaid expenses and other current assets	(212,265)	(143,639)
Other assets	3,205	448
Accounts payable and accrued expenses	305,814	1,172,770
Income taxes payable	13,780	16,946
Net cash provided by operating activities	<u>828,009</u>	<u>427,410</u>
Cash flows from investing activities:		
Cash paid for business and intangible asset acquisitions, net of cash acquired.....	3,985	—
Acquisition of property, plant and equipment.....	(458,989)	(398,425)
Proceeds from sale of property, plant and equipment	23,483	10,280
Cost of receivables acquired, net of cash collections	(557)	—
Proceeds from disposal of available for sale investments	5,800	—
Notes receivable from sale.....	—	(24,972)
Proceeds from disposal of subsidiaries, net of cash.....	—	(27,140)
Net cash used in investing activities	<u>(426,278)</u>	<u>(440,257)</u>
Cash flows from financing activities:		
Repayments, net of borrowings, under debt agreements.....	(14,597)	(49,435)
Net proceeds from exercise of stock options and issuance of common stock under employee stock purchase plan	31,644	10,744
Treasury stock minimum tax withholding related to vesting of restricted stock.....	(9,763)	(5,505)
Payments to acquire treasury stock.....	(200,226)	—
Dividends paid to stockholders	(60,411)	(59,869)
Debt issuance costs	(14,549)	—
Net proceeds from issuance of ordinary shares of certain subsidiaries	—	586
Bank overdraft of subsidiary	—	3,067
Excess tax benefit of options exercised.....	180	132
Net cash used in financing activities.....	<u>(267,722)</u>	<u>(100,280)</u>
Effect of exchange rate changes on cash and cash equivalents.....	10,273	(18,816)
Net increase (decrease) in cash and cash equivalents	144,282	(131,943)
Cash and cash equivalents at beginning of period	744,329	876,272
Cash and cash equivalents at end of period	<u>\$ 888,611</u>	<u>\$ 744,329</u>

JABIL CIRCUIT, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA
RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP MEASURES

(In thousands, except for per share data)
(Unaudited)

	Three months ended		Twelve months ended	
	August 31, 2011	August 31, 2010	August 31, 2011	August 31, 2010
Operating income (GAAP)	\$ 165,560	\$ 102,990	\$ 578,734	\$ 327,566
Amortization of intangibles	5,230	5,980	22,051	25,934
Stock-based compensation expense and related charges	16,376	36,629	76,230	104,609
Restructuring and impairment charges	-	2,512	628	8,217
Settlement of receivables and related charges	-	-	13,607	-
Loss on disposal of subsidiaries	-	8,882	23,944	24,604
Core operating income (Non-GAAP)	\$ 187,166	\$ 156,993	\$ 715,194	\$ 490,930
Net income (GAAP)	\$ 114,288	\$ 58,691	\$ 381,063	\$ 168,840
Amortization of intangibles, net of tax	5,213	5,968	21,998	25,887
Stock-based compensation expense and related charges, net of tax	16,790	36,006	75,068	102,719
Restructuring and impairment charges, net of tax	-	2,537	628	8,314
Settlement of receivables and related charges, net of tax	-	-	13,607	-
Loss on disposal of subsidiaries, net of tax	-	8,882	23,944	24,604
Core earnings (Non-GAAP)	\$ 136,291	\$ 112,084	\$ 516,308	\$ 330,364
Earnings per share: (GAAP)				
Basic	\$ 0.54	\$ 0.27	\$ 1.78	\$ 0.79
Diluted	\$ 0.52	\$ 0.27	\$ 1.73	\$ 0.78
Core earnings per share: (Non-GAAP)				
Basic	\$ 0.64	\$ 0.52	\$ 2.41	\$ 1.54
Diluted	\$ 0.62	\$ 0.52	\$ 2.34	\$ 1.52
Common shares used in the calculations of earnings per share (GAAP):				
Basic	212,753	214,011	214,502	214,332
Diluted	219,494	215,997	220,719	217,597
Common shares used in the calculations of earnings per share (Non-GAAP):				
Basic	212,753	214,011	214,502	214,332
Diluted	219,494	215,997	220,719	217,597

JABIL CIRCUIT, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA
RECONCILIATION OF GAAP FINANCIAL RESULTS TO NON-GAAP MEASURES
(In thousands)

**CALCULATION OF RETURN ON INVESTED CAPITAL AND
CORE RETURN ON INVESTED CAPITAL**

The Company calculates (1) "Return on Invested Capital" by annualizing its "after-tax GAAP operating income" for its most recently-ended quarter and dividing that by a two quarter average of its "net invested capital asset base" and (2) "Core Return on Invested Capital" by annualizing its "after-tax non-GAAP core operating income" for its most recently-ended quarter and dividing that by a two quarter average of its "net invested capital asset base."

The Company calculates: (1) its "after-tax GAAP operating income" by subtracting a certain tax effect (the calculation of which is explained below) from its GAAP operating income and (2) its "after-tax non-GAAP core operating income" by subtracting a certain tax effect (the calculation of which is explained below) from its non-GAAP core operating income. See elsewhere in this earnings release for a reconciliation of the Company's non-GAAP core operating income to its GAAP operating income.

The Company calculates "net invested capital asset base" as the sum of the averages (the calculation of which are explained below) of (1) its stockholders' equity, (2) the non-current portion of its notes payable and long term debt and (3) the current portion of its notes payable and long term debt, less the average (the calculation of which is explained below) of its cash and cash equivalents.

The following table reconciles (1) "Return on Invested Capital," as calculated using "after-tax GAAP operating income" to (2) "Core Return on Invested Capital," as calculated using "after-tax non-GAAP core operating income":

	Three months ended August 31, 2011
Numerator:	
Operating income (GAAP)	\$ 165,560
Tax effect (1)	(25,478)
After-tax operating income	140,082
	x4
Annualized after-tax operating income	\$ 560,328
Core Operating Income (Non-GAAP)	\$ 187,166
Tax effect (2)	(25,083)
After-tax core operating income	162,083
	x4
Annualized after-tax core operating income	\$ 648,332
Denominator:	
Average total Jabil Circuit, Inc. stockholders' equity (3)	\$ 1,900,238
Average notes payable and long-term debt, less current installments (3)	1,109,895
Average current installments of notes payable and long-term debt (3)	77,305
Average cash and cash equivalents (3)	(899,878)
Net invested capital asset base	\$ 2,187,560
Return on Invested Capital (GAAP)	25.6%
Adjustments noted above	4.0%
Core Return on Invested Capital (Non-GAAP)	29.6%

- (1) This amount is calculated by adding the amount of income taxes attributable to its operating income (GAAP) and its interest expense.
- (2) This amount is calculated by adding the amount of income taxes attributable to its core operating income (Non-GAAP) and its interest expense.
- (3) The average is based on the addition of the account balance at the end of the most recently-ended quarter to the account balance at the end of the prior quarter and dividing by two.