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Jabil Reports Fiscal Year 2002 Third Quarter Results

18 June 2002
St. Petersburg, Florida

[Statement of Income and Balance Sheet data for Third Quarter 2002](#)

[Forward - Looking Statement](#)

Electronic manufacturing services provider Jabil Circuit, Inc. (NYSE: JBL) today reported revenue for its third quarter of fiscal 2002, ended May 31, 2002. Revenue for the quarter was \$851 million compared to \$1.05 billion for the same period of fiscal 2001.

Cash earnings after taxes for Jabil's third quarter of fiscal 2002 was \$24.4 million, compared with \$32.3 million for the third fiscal quarter of 2001. (Cash earnings are defined as net income before amortization of intangibles, acquisitions and merger-related charges and restructuring charges.) Cash earnings per share were \$0.12 per diluted share for the period, compared to \$0.16 for the third quarter of fiscal 2001.

During the quarter ended May 31, Jabil recorded a charge of \$1.07 million (\$663 thousand after-tax) related to acquisition and merger-related charges.

Net income, on a GAAP basis, was \$20.8 million for the third fiscal quarter of 2002, compared to \$18.8 million for the third fiscal quarter of 2001. GAAP diluted earnings per share for the third fiscal quarter of 2002 were \$0.10, compared to \$0.09 for the same quarter of fiscal 2001.

Gross profit for the third fiscal quarter of 2002 was \$83.9 million or 9.9 percent of revenue compared to \$90.3 million or 8.6 percent of revenue for the corresponding quarter of fiscal 2001.

Operating income for the third fiscal quarter of 2002 (before amortization of intangibles, acquisition and merger-related charges and restructuring charges as noted above) was \$32.4 million or 3.8 percent of revenue compared to \$42.5 million or 4.1 percent of revenue for the third fiscal quarter of 2001.

"During the quarter we were able to achieve sequential growth in both revenue and profitability. In addition, our focus on our balance sheet management yielded improved inventory turns, sales cycle and operating cash flow. We believe these improvements will provide Jabil a strong foundation as we resume our experience as a growth company in a growth industry," said Tim Main, President and CEO of Jabil. Main said the company generated approximately \$140 million in operating cash during the period.

Sequential Income Statement Highlights

- | Third quarter revenue increased 3.5 percent compared to the prior quarter.
- | Operating income, before the amortization of intangibles, acquisition and merger-related charges and restructuring charges, increased 47.9 percent to \$32.4 million from the second quarter.
- | Cash earnings after taxes were \$24.4 million or 2.9 percent of revenue.
- | GAAP earnings after taxes were \$20.8 million or 2.4 percent of revenue.
- | On 200,997,000 average shares, fully diluted cash earnings per share for the quarter were \$0.12 and fully diluted GAAP earnings per share for the quarter were \$0.10.

Sequential Balance Sheet Highlights

- | Accounts receivable decreased by \$50.9 million to \$349.3 million.
- | Calculated DSO improved by seven days to 37 days.
- | Inventories decreased by \$23.1 million in the quarter to \$325.3 million.
- | Calculated inventory turns were ten, compared to nine in the previous quarter.
- | Sales cycle improved by eleven days to 31.
- | Debt-to-capitalization ratio declined to 19 percent.
- | Cash flow from operations was approximately \$140 million.

Business Outlook Guidance

The company said current customer forecasts indicate production levels will increase in its fourth fiscal quarter with revenues in a range of \$920 to \$960 million. Jabil indicated that it would see an estimated 10 to 20 percent sequential operating income improvement in its fourth quarter as a result of incremental revenue growth and ongoing operational efficiency improvements. For Jabil's fourth fiscal quarter corresponding cash earnings are estimated to range from \$0.14 to \$0.16 per share. Jabil said it expects growth in the automotive, computing and storage, instrumentation and medical, peripheral and networking sectors. The telecommunications sector continues to have lower levels of production. Jabil indicated it anticipates full fiscal year revenue to be \$3.5 billion with cash earnings of \$0.45 to \$0.47.

"The resumption of growth is gratifying following a difficult recessionary environment. In a more stable end-market environment, we expect continued growth through new business wins and the absorption of new business from customers moving from a vertical to a virtual manufacturing model," said Main.

About Jabil

Jabil Circuit, Inc. is an electronic manufacturing services provider for international electronics companies in the automotive, computing and storage, consumer, instrumentation and medical, networking, peripheral and telecommunications markets. Jabil offers circuit design, board design from schematic, prototype assembly, volume board assembly, system assembly, repair and warranty services from facilities in the Americas, Europe and Asia. Further information about Jabil can be found on the World Wide Web at <http://www.jabil.com>.

This news release contains forward-looking statements regarding the anticipated outlook for our business, our expected fourth-quarter earnings results, the consummation of proposed acquisitions and our long-term outlook for the company, our industry and our customers 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: the length and severity of the current economic downturn and our ability to manage customer demand through the downturn; fluctuations in operating results; changes in technology; competition; managing rapid growth; managing rapid declines in customer demand; our ability to successfully reach definitive agreements on and consummate our acquisitions; managing the integration of businesses we acquire; risks associated with international sales and operations; retaining key personnel; our dependence on a limited number of customers; the consolidation of our customer base; 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 are identified in our Annual Report on Form 10-K for the fiscal year ended August 31, 2001, any 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.