



September 18, 2003

## Jabil Circuit Reports Fourth Quarter & Fiscal Year 2003 Results

Company Posts Record Revenues for Quarter and Year

18 September 2003  
St. Petersburg, Florida

[Statement of Income and Balance Sheet Data for 2003 Fourth Quarter & Fiscal Year End St. Petersburg.](#)

St. Petersburg, FL - September 18, 2003...Jabil Circuit, Inc. (NYSE: JBL), a global electronics manufacturing services provider, today reported results for the fourth fiscal quarter and fiscal year 2003, ended August 31, 2003.

### Fiscal Fourth Quarter 2003

Revenue for the fourth fiscal quarter of 2003 increased 31.1 percent to \$1.3 billion compared to \$1.0 billion for the same period of fiscal 2002.

On a Generally Accepted Accounting Principles ("GAAP") basis, net income for the fourth quarter of fiscal 2003 was \$20.1 million compared to \$1.8 million for the same period of fiscal 2002. GAAP diluted earnings per share for the fourth quarter of fiscal 2003 were \$0.10 compared to \$0.01 for the same period of fiscal 2002.

Jabil's fourth quarter of fiscal 2003 core earnings after taxes increased 36.4 percent to \$41.4 million, compared to \$30.3 million for the fourth fiscal quarter of 2002. Core earnings per share increased 33.3 percent to \$0.20 per diluted share for the period, compared to \$0.15 for the fourth quarter of fiscal 2002. *(Jabil defines core earnings as GAAP net income before amortization of intangibles, acquisition related charges, restructuring and impairment charges and other income. The Company reports core earnings to provide its investors with an alternative method for assessing its earnings from what it believes to be its core manufacturing operations. See the accompanying reconciliation of Jabil's core earnings to its GAAP net income and additional information in the supplemental information below).*

Gross profit for the fourth quarter of fiscal 2003 increased 25.9 percent to \$120.4 million or 9.3 percent of revenue compared to \$95.6 million or 9.7 percent of revenue for the same period of fiscal 2002.

On a GAAP basis, operating income for the fourth quarter of fiscal 2003 was \$27.4 million compared to \$2.3 million for the same period of fiscal 2002.

Core operating income for the fourth quarter of fiscal 2003 increased 37.4 percent to \$52.8 million or 4.1 percent of revenue compared to \$38.5 million or 3.9 percent of revenue for the fourth quarter of fiscal 2002. *(Jabil defines core operating income as GAAP operating income before amortization of intangibles, acquisition related charges and restructuring and impairment charges. The Company reports core operating income to provide its investors with an alternative method for assessing its operating income from what it believes to be its core manufacturing operations. See the accompanying reconciliation of Jabil's core operating income to its GAAP operating income and additional information in the supplemental information below).*

### Income Statement Highlights

- | Fourth quarter revenue increased 6.3 percent compared to the third quarter of fiscal 2003.
- | GAAP operating income was \$27.4 million for the fourth quarter of fiscal 2003.
- | Core operating income increased 10.5 percent to \$52.8 million from the third quarter of fiscal 2003.
- | GAAP earnings were \$20.1 million for the fourth quarter of fiscal 2003.
- | Core earnings were \$41.4 million or 3.2 percent of revenue for the fourth quarter of fiscal 2003.
- | Fully diluted GAAP earnings per share for the quarter were \$0.10 on 203,980,000 average shares.
- | Fully diluted core earnings per share for the quarter were \$0.20 on 203,980,000 average shares.

### Other Highlights

- | Inventories increased by \$23.0 million in the quarter to \$510.2 million.

- | Calculated inventory turns were consistent from the third quarter at nine.
- | Sales cycle for the quarter improved four days to 37 days from the third fiscal quarter.
- | During the quarter the Jabil issued \$300 million of 5.875% Senior Unsecured Debt due 2010, resulting in debt-to-capitalization ratio of 29 percent for the fourth quarter.
- | Cash flow from operations was approximately \$75 million.
- | Capital expenditures for the fourth quarter were approximately \$20 million.
- | Depreciation for the fourth quarter was approximately \$45 million.
- | Cash balances were \$700 million at the end of the fourth quarter.
- | Return on Invested Capital (ROIC) improved to 12 percent in the fourth quarter from 11 percent in the third quarter.

## **Fiscal Year 2003**

Fiscal year revenues increased 33.4 percent to \$4.7 billion, compared to \$3.5 billion in fiscal year 2002.

On a GAAP basis, net income for fiscal year 2003 was \$43.0 million compared to \$34.7 million for fiscal 2002. GAAP diluted earnings per share for fiscal 2003 were \$0.21 compared to \$0.17 for fiscal 2002.

Jabil's fiscal year 2003 core earnings after taxes increased 54.8 percent to \$142.7 million, compared to \$92.2 million for fiscal 2002. Core earnings per share increased 54.3 percent to \$0.71 per diluted share for the fiscal year, compared to \$0.46 for fiscal 2002. *(Jabil defines core earnings as GAAP net income before amortization of intangibles, acquisition related charges, restructuring and impairment charges and other income. The Company reports core earnings to provide its investors with an alternative method for assessing its earnings from what it believes to be its core manufacturing operations. See the accompanying reconciliation of Jabil's core earnings to its GAAP net income and additional information in the supplemental information below).*

Gross profit for fiscal year 2003 increased 30.1 percent to \$435.5 million or 9.2 percent of revenue compared to \$334.6 million or 9.4 percent of revenue for fiscal year 2002.

On a GAAP basis, operating income for fiscal 2003 was \$44.5 million compared to \$48.1 million for fiscal 2002.

Core operating income for fiscal 2003 increased 48.0 percent to \$181.9 million or 3.8 percent of revenue compared to \$122.9 million or 3.5 percent of revenue for fiscal 2002. *(Jabil defines core operating income as GAAP operating income before amortization of intangibles, acquisition related charges and restructuring and impairment charges. The Company reports core operating income to provide its investors with an alternative method for assessing its operating income from what it believes to be its core manufacturing operations. See the accompanying reconciliation of Jabil's core operating income to its GAAP operating income and additional information in the supplemental information below).*

## **Fiscal Year Summary and Business Outlook**

"Our fourth fiscal quarter was a satisfying close to an eventful year. In spite of a variety of challenges, we grew revenues 33 percent, increased core operating earnings 48 percent and expanded core earnings per share 54 percent over fiscal 2002. We're looking forward to expanding and improving our business throughout fiscal 2004." said Timothy L. Main, President and Chief Executive Officer.

The Company provided guidance for its first fiscal quarter of 2004 indicating that it currently foresees revenue increasing sequentially six to ten percent, or in a range of \$1.375 to \$1.425 billion. Jabil said it currently foresees core operating income increasing sequentially seven to twelve percent and core earnings of \$0.22 to \$0.24 per diluted share, depending upon exact levels of production. GAAP earnings per share are currently estimated to be \$0.17 to \$0.19 per diluted share. *(Expected GAAP earnings per share for the quarter is estimated to include \$0.05 per share for amortization of intangibles and acquisition related charges.)*

Jabil also provided guidance for its full fiscal year 2004 indicating that it currently foresees revenue growth of approximately 20 percent or \$5.6 to \$5.8 billion; core operating earnings growth above 25 percent and core earnings growth above 25 percent or in a range of \$0.90 to \$0.96 per diluted share. GAAP earnings per share are currently estimated to be \$0.73 to \$0.79 per diluted share. *(Expected GAAP earnings per share for the full fiscal year is estimated to include \$0.17 per share for amortization of intangibles and acquisition related charges.)*

## **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 the Company'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.

Due to its recent acquisitions and restructuring programs, the Company has incurred significant incremental charges that are included in the GAAP financial measures disclosed in this release. Management believes that the incremental nature of these amounts does not impact the performance of its core manufacturing operations. Management believes core financial measures (which exclude the effects of the amortization of intangibles, acquisition related charges, restructuring and impairment charges and other income) are a useful measure that facilitates evaluating the past and future performance of Jabil's ongoing operations on a comparable basis. Jabil reports core earnings and core operating income to provide its investors with an alternative method for assessing its earnings and operating income from what it believes to be its core manufacturing operations. Included in this release is a reconciliation of the disclosed core financial measures to the most directly comparable GAAP financial measures.

## **Company Conference Call Information**

Jabil Circuit will conduct a conference call to announce its fourth quarter and fiscal 2003 earnings today at 4:30 p.m. ET, live on the Internet at <http://www.jabil.com>. This earnings conference call will be archived on the web at <http://www.jabil.com>. The news release and detailed information about Jabil's earnings will also be available on the web site at [jabil.com](http://www.jabil.com) by approximately 4:00 p.m. ET. A taped replay will also be available September 18, 2003 at approximately 7:30 p.m. ET through midnight on September 19, 2003. To access the replay, call (800) 642-1687 from within the United States, or (706) 645-9291 outside the United States. The passcode is 2757126.

## **About Jabil**

Jabil Circuit, Inc. is one of the world's largest electronic manufacturing services providers. Jabil manufactures 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 at <http://www.jabil.com>.