



December 20, 2010

## Jabil Posts Fast Start to Fiscal 2011 with Record First Fiscal Quarter

### Revenue and Earnings Exceed Guidance

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for First Quarter 2011](#)

[Forward - Looking Statement](#)

**St. Petersburg, FL - December 20, 2010**...Jabil Circuit, Inc. (NYSE: JBL), reported its preliminary, unaudited financial results for the first quarter of fiscal year 2011, ended November 30, 2010. "We believe our results for the first quarter represent an excellent start to fiscal 2011," said Timothy L. Main, President and CEO of Jabil. "Revenue growth was accompanied by margin improvement and a passionate dedication to customer service across our business segments."

*(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 impairment charges, goodwill impairment charges, certain distressed customer charges and loss on disposal of subsidiary. Jabil defines core earnings as GAAP net income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and impairment charges, goodwill impairment charges, certain distressed customer charges, loss on disposal of subsidiary, certain other expenses, net of tax and certain deferred tax valuation allowance charges. Jabil defines core earnings per share as core earnings divided by the weighted average number of outstanding shares determined under GAAP. Jabil reports core operating income, core earnings and core 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. See the accompanying reconciliation of Jabil's core operating income to its GAAP operating income and Jabil's core earnings and core earnings per share to its GAAP net income and GAAP earnings per share and additional information in the supplemental information.)*

#### First Quarter 2011

Net revenue for the first quarter of fiscal 2011 was \$4.1 billion compared to \$3.1 billion for the same period of fiscal 2010.

#### GAAP results:

GAAP operating income for the first quarter of fiscal 2011 was \$156.0 million compared to \$66.3 million for the same period of fiscal 2010.

GAAP net income for the first quarter of fiscal 2011 was \$106.7 million compared to \$28.3 million for the same period of fiscal 2010.

GAAP diluted earnings per share for the first quarter of fiscal 2011 was \$0.49 compared to \$0.13 for the same period of fiscal 2010.

#### Core results:

Core operating income for the first quarter of fiscal 2011 was \$181.9 million or 4.5 percent of net revenue compared to \$106.5 million or 3.4 percent of net revenue for the same period of fiscal 2010.

Core earnings for the first quarter of fiscal 2011 were \$132.1 million compared to \$68.3 million for the same period of fiscal 2010.

Core diluted earnings per share for the first quarter of fiscal 2011 was \$0.61 compared to \$0.32 for the same period of fiscal 2010.

#### Sequential First Quarter Fiscal 2011

##### Operational Highlights

- | GAAP operating income increased 51.5 percent.
- | GAAP earnings increased \$0.22 per fully diluted share.
- | Core operating income increased 15.9 percent.

- | Core earnings increased \$0.09 per fully diluted share.

## **Balance Sheet and Cash Flow Highlights**

- | Cash flow used in operations for the quarter was \$82.7 million.
- | Sales cycle was 16 days for the first quarter of fiscal 2011.
- | Annualized inventory turns were seven for the first quarter of fiscal 2011.
- | Capital expenditures for the first quarter of fiscal 2011 were \$101.3 million.
- | Depreciation for the first quarter of fiscal 2011 was \$69.0 million.
- | Cash and cash equivalent balances were \$630.2 million at the end of the first quarter of fiscal 2011.
- | Core return on invested capital was 28.1 percent for the first quarter of fiscal 2011.
- | A \$0.07 dividend was paid on December 1, 2010.

## **Business Update**

"We believe our focus on diversification and a differentiated business model will allow us to continue growth throughout 2011," said Timothy L. Main, Jabil's President and CEO. Main said, "We see good momentum in our three business segments as we continue on a record setting pace for fiscal 2011."

Jabil management indicated that it expects net revenue for its second quarter of fiscal 2011 to range from \$3.85 billion to \$3.95 billion.

Jabil estimated that its core operating income for its second quarter of fiscal 2011 will range from \$160 to \$170 million or 4.1 to 4.3 percent of net revenue.

Jabil indicated that it expects its core earnings per share for its second quarter of fiscal 2011 to range from \$0.49 to \$0.53 per diluted share.

GAAP earnings per share are expected to be in a range from \$0.37 to \$0.41 per diluted share for its second quarter of fiscal 2011. (GAAP earnings per share for the second quarter of fiscal 2011 is currently estimated to include \$0.03 per share for amortization of intangibles and \$0.09 per share for stock-based compensation.)

## **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 impairment charges, goodwill impairment charges, certain distressed customer charges, loss on disposal of subsidiary, 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 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 first fiscal quarter 2011 earnings today at 4:30 p.m. ET live on the Internet at <http://www.jabil.com>. The earnings conference call will be recorded and archived for playback on the web at <http://www.jabil.com>. A taped replay of the conference call will also be available December 20, 2010 at approximately 7:30 p.m. ET through midnight on December 27, 2010. To access the replay, call (800) 642-1687 from within the United States, or (706) 645-9291 outside the United States. The pass code is: 31638513. 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 product management services to global electronics and technology companies. Offering complete product supply chain management from facilities in 22 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).

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