



December 20, 2004

## Jabil Reports First Quarter Fiscal 2005 Results

Company Posts Record Net Revenue & Earnings

20 December 2004  
St. Petersburg, FL

[Statement of Income and Balance Sheet data for First Quarter 2005](#)

[Forward - Looking Statement](#)

St. Petersburg, FL - December 20, 2004...Jabil Circuit, Inc. (NYSE: JBL), a global electronics manufacturing services provider, today reported results for the first quarter of fiscal 2005, ended November 30, 2004. Net revenue for the first quarter of fiscal 2005 increased 21 percent to \$1.83 billion compared to \$1.51 billion for the same period of fiscal 2004.

Under accounting principles generally accepted in the United States of America ("GAAP"), net income for the first quarter of fiscal 2005 increased to \$55.9 million as compared to \$42.5 million for the same period in fiscal 2004. GAAP diluted earnings per share for the first quarter of fiscal 2005 were \$0.27 compared to \$0.20 for the same period of fiscal 2004.

Jabil's first quarter of fiscal 2005 core earnings increased 26 percent to \$65.0 million, compared to \$51.6 million for the first quarter of fiscal 2004. Core earnings per share increased 28 percent to \$0.32 per diluted share for the period, compared to \$0.25 for the first quarter of fiscal 2004. *(Jabil defines core earnings as GAAP net income before amortization of intangibles, acquisition-related charges, restructuring and impairment charges and other income/loss, net of tax. Jabil reports core earnings and core earnings per share 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 and core earnings per share to its GAAP net income and additional information in the supplemental information below).*

Gross profit for the first quarter of fiscal 2005 increased 16 percent to \$154.9 million or 8.4 percent of net revenue compared to \$133.4 million or 8.8 percent of net revenue for the same period of fiscal 2004.

On a GAAP basis, operating income for the first quarter of fiscal 2005 increased 32 percent to \$70.3 million compared to \$53.0 million for the same period of fiscal 2004.

Core operating income for the first quarter of fiscal 2005 increased 25 percent to \$80.9 million or 4.4 percent of net revenue compared to \$64.5 million or 4.3 percent of net revenue for the first quarter of fiscal 2004. *(Jabil defines core operating income as GAAP operating income before amortization of intangibles, acquisition-related charges and restructuring and impairment charges. Jabil 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).*

### Quarterly Highlights

- | Cash flow from operations was approximately \$35 million for the first quarter of fiscal 2005.
- | Sales cycle for the first quarter of fiscal 2005 was 28 days.
- | Inventory turns for the first quarter of fiscal 2005 were nine.
- | Capital expenditures for the first quarter of fiscal 2005 were approximately \$55 million.
- | Depreciation for the first quarter of fiscal 2005 was approximately \$45 million.
- | Cash balances were \$620 million at the end of the first quarter of fiscal 2005.
- | Return on Invested Capital (ROIC) increased to 17 percent for the first quarter of fiscal 2005.

### Business Outlook

"We are pleased to have started our fiscal 2005 with another record quarter. We increased net revenues 21 percent, grew core earnings 26 percent and improved diluted core earnings per share 28 percent over the first quarter of fiscal 2004," said Timothy L. Main, President and Chief Executive Officer. "While the end markets and the economy are just beginning to

show signs of improvement, Jabil clearly has the strong trend for electronics companies to outsource in its favor."

Jabil provided guidance for its second quarter of fiscal 2005 indicating that it currently foresees net revenue in a range of \$1.65 to \$1.75 billion and core earnings per share in a range of \$0.26 to \$0.28 per diluted share, depending upon actual levels of production. GAAP earnings per share are currently estimated to be \$0.22 to \$0.24 per diluted share. *(Expected GAAP earnings per share for the second quarter of fiscal year 2005 are currently estimated to include \$0.04 per share for amortization of intangibles.)*

Jabil management maintained its previous full fiscal 2005 guidance, indicating expectations of net revenue to range from \$7.2 to \$7.4 billion and core earnings per share to be in a range of \$1.20 to \$1.24 per diluted share, depending upon actual levels of production. GAAP earnings per share are currently estimated to be \$1.05 to \$1.09 per diluted share. *(Expected GAAP earnings per share for the quarter are currently estimated to include \$0.15 per share for amortization of intangibles.)*

## 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.

Due to its acquisitions, Jabil has incurred incremental charges that are included in the GAAP financial measures disclosed in this release. Management believes that the 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, core earnings per share 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 Consolidated Statement of Earnings as well as 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 first quarter of fiscal 2005 earnings today at 4:30 p.m. EDT, live on the Internet at <http://www.jabil.com>. This earnings conference call will be recorded and archived for playback on the web at <http://www.jabil.com>.

The news release and information about Jabil's earnings will also be available in the investor relations' section of the web site ([jabil.com](http://www.jabil.com)) by approximately 4:00 p.m., EDT. A taped replay of the conference call will also be available December 20, 2004 at approximately 7:30 p.m. EDT through midnight on December 21, 2004. To access the replay, call (800) 642-1687 from within the United States, or (706) 645-9291 outside the United States. The passcode is 2896409. An archived webcast of the conference call will be available at <http://www.jabil.com/investors/>

Jabil is an electronic solutions company providing comprehensive electronics design and product management services to global electronics and technology companies. Jabil helps bring electronics products to the market faster and more cost effectively by providing complete electronic product supply chain management around the world. With more than 40,000 employees and facilities in 19 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 the company's website: <http://www.jabil.com>.

*This news release contains forward-looking statements, including those regarding the anticipated outlook for our business, our currently estimated second quarter and full fiscal year 2005 net revenues and earnings results and our long-term outlook for our company, our industry and our customers. These statements are 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: fluctuations in operating results; changes in technology; competition; anticipated growth for us and our industry may not occur; managing rapid growth; managing any rapid declines in customer demand that may occur; our ability to successfully 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 identified in our Annual Report on Form 10-K for the fiscal year ended August 31, 2004, 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.*