



June 16, 2004

## Jabil Circuit Reports Quarterly Results

Core Earnings Increase 39 Percent

16 June 2004  
St. Petersburg, FL

[Statement of Income and Balance Sheet Data for Third Quarter 2004](#)

[Forward - Looking Statement](#)

Jabil Circuit, Inc. (NYSE: JBL), a global electronics manufacturing services provider, today reported results for the third quarter of fiscal 2004, ended May 31, 2004. Revenue for the third quarter of fiscal 2004 increased 33 percent to \$1.6 billion compared to \$1.2 billion for the same period of fiscal 2003.

On a United States Generally Accepted Accounting Principles ("GAAP") basis, net income for the third quarter of fiscal 2004 increased to \$40.1 million compared to \$4.5 million for the same period of fiscal 2003. GAAP diluted earnings per share for the third quarter of fiscal 2004 were \$0.19 compared to \$0.02 for the same period of fiscal 2003.

Jabil's third quarter of fiscal 2004 core earnings increased 39 percent to \$53.1 million, compared to \$38.2 million for the same period of fiscal 2003. Core earnings per share increased 37 percent to \$0.26 per diluted share for the period, compared to \$0.19 for the same period of fiscal 2003. 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. *(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 third quarter of fiscal 2004 increased 21 percent to \$135.9 million or 8.4 percent of revenue compared to \$112.6 million or 9.2 percent of revenue for the same period of fiscal 2003.

On a GAAP basis, operating income for the third quarter of fiscal 2004 increased to \$55.9 million compared to \$2.5 million for the same period of fiscal 2003.

Core operating income for the third quarter of fiscal 2004 increased 39 percent to \$66.7 million or 4.1 percent of revenue compared to \$47.8 million or 3.9 percent of revenue for the same period of fiscal 2003. 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 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).*

"We are posting results which represent solid sequential performance as well as strong year-over-year performance in both revenue and core earnings. Over the past year maintaining efficient control on our capital deployed while greatly increasing our operating earnings, has allowed us to improve Return on Invested Capital to 15 percent," said Timothy L. Main, President and CEO. "We continue to be gratified by our continued progress towards our long-term goals."

### Other Quarterly Highlights

- | Cash flow from operations was approximately \$95 million.
- | Sales cycle for the quarter remained unchanged at 26 days.
- | Calculated inventory turns improved to nine for the quarter compared to eight for the second quarter of fiscal 2004.
- | Capital expenditures for the quarter were approximately \$55 million.
- | Depreciation for the quarter was approximately \$44 million.
- | Cash balances were \$596 million at the end of the third quarter of fiscal 2004.
- | Return on Invested Capital (ROIC) improved to 15 percent for the quarter from 14 percent for the second quarter of fiscal 2004.

## **Business Outlook**

The Company provided guidance for its fourth fiscal quarter of 2004 indicating that it currently foresees revenue in a range of \$1.60 to \$1.65 billion and core earnings of \$0.25 to \$0.27 per diluted share, depending upon levels of production. GAAP earnings per share are currently estimated to be \$0.21 to \$0.23 per diluted share. (Expected GAAP earnings per share for the quarter are estimated to include \$0.04 per share for amortization of intangibles.)

The Company updated full year guidance, indicating that it currently expects revenue for the year to be in the range previously indicated of \$6.2 to \$6.3 billion. Jabil management also indicated that it expects fiscal year core operating income to increase by more than 40 percent and core earnings per share to be in a range of \$1.00 to \$1.02 per diluted share. GAAP earnings per share for the fiscal year are currently estimated to be \$0.80 to \$0.82 per diluted share. (Expected GAAP earnings per share for the fiscal year are estimated to include \$0.20 per share for amortization of intangibles, acquisition-related charges and other income/loss.)

Jabil management also provided guidance for its first fiscal quarter of 2005, indicating that they currently expect revenue to be in a range of \$1.75 to \$1.85 billion and core earnings per share to be in a range of \$0.30 to \$0.32 per diluted share, depending upon levels of production. GAAP earnings per share are currently estimated to be \$0.26 to \$0.28 per diluted share. (Expected GAAP earnings per share for the quarter are estimated to include \$0.04 per share for amortization of intangibles.)

"We believe the outlook for our business is good and the trend to outsourcing remains strong. We are encouraged that the environment has stabilized and believe that the numerous new customer programs in diverse sectors should be a significant driver for growth as we move into fiscal 2005," said Main.

## **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 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/loss) 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 third quarter earnings 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, with the slide show presentation that we will be using and referencing during the call. A taped replay of the conference call will also be available June 16, 2004 at approximately 7:30 p.m. EDT through midnight EDT on June 17, 2004. To access the replay, dial (800) 642-1687 from within the United States, or (706) 645-9291 outside the United States. The conference identification number is 8060627.

## **About Jabil**

Jabil Circuit, Inc. is a global leader in the Electronic Manufacturing Services (EMS) industry, offering innovative solutions to world leading electronics companies in the aerospace, automotive, computing, consumer, defense, instrumentation, medical, networking, peripherals, storage and telecommunications markets. Jabil offers circuit design, board design from schematic, mechanical and production design, product realization services, product research and development, testing prototype assembly, volume board assembly, system assembly, enclosure services, direct fulfillment, repair and warranty

services from facilities in the Americas, Europe and Asia. Jabil common stock is traded on the New York Stock Exchange under the symbol "JBL." Further information about Jabil can be found on the company's web site at <http://www.jabil.com>.

*This news release contains forward-looking statements, including those regarding the anticipated outlook for our business, our expected third quarter fiscal and full year fiscal 2004 revenues and earnings results and our long-term outlook for the 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; managing rapid growth; managing rapid declines in customer demand; our ability to successfully consummate our acquisitions; managing the integration of businesses we acquire; and 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 or 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, 2003, 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.*