



March 23, 2010

Jabil Reports Second Quarter Earnings

Results Continue to Improve

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Second Quarter 2010](#)

[Forward - Looking Statement](#)

St. Petersburg, FL - March 23, 2010...Jabil Circuit, Inc. (NYSE: JBL), reported its preliminary, unaudited financial results for the second quarter of fiscal year 2010, ended February 28, 2010. "Results for the quarter indicate significant year-over-year margin expansion on modest revenue growth. We are gaining confidence that these positive trends may be sustained for the balance of the year," said Timothy L. Main, President and CEO.

(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 with an alternative 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.)

Second Quarter 2010

Net revenue for the second quarter of fiscal 2010 was \$3.0 billion compared to \$2.9 billion for the same period of fiscal 2009.

GAAP results:

GAAP operating income for the second quarter of fiscal 2010 was \$61.8 million compared to a loss of \$705.6 million for the same period of fiscal 2009.

GAAP net income for the second quarter of fiscal 2010 was \$29.8 million compared to a net loss of \$866.1 million for the same period of fiscal 2009.

GAAP diluted earnings per share for the second quarter of fiscal 2010 was \$0.14 compared to a loss per share of \$4.19 for the same period of fiscal 2009.

Core results:

Core operating income for the second quarter of fiscal 2010 was \$95.6 million or 3.2 percent of net revenue compared to \$51.2 million or 1.8 percent of net revenue for the same period of fiscal 2009.

Core earnings for the second quarter of fiscal 2010 were \$63.3 million compared to \$27.3 million for the same period of fiscal 2009.

Core diluted earnings per share for the second quarter of fiscal 2010 was \$0.29 compared to \$0.13 for the same period of fiscal 2009.

Sequential Second Quarter Fiscal 2010

Operational Highlights (*Note: Jabil's second fiscal quarter is normally a sequentially down quarter due to the seasonally driven slowdown in consumer spending.*)

- | Lowest second quarter sequential decline in revenue and core operating margin since fiscal 2004.

- | GAAP operating income decreased 6.8 percent.
- | GAAP earnings increased \$0.01 per fully diluted share.
- | Core operating income decreased 10.3 percent.
- | Core earnings decreased \$0.03 per fully diluted share.

Balance Sheet Highlights

- | Cash flow from operations for the quarter was approximately \$31 million.
- | Sales cycle was 17 days for the second quarter of fiscal 2010.
- | Annualized inventory turns were seven turns for the quarter.
- | Capital expenditures for the second quarter of fiscal 2010 were approximately \$78 million.
- | Depreciation for the second quarter of fiscal 2010 was approximately \$63 million.
- | Cash and cash equivalent balances were \$794 million at the end of the quarter.
- | Core Return on Invested Capital was 18.2 percent for the quarter.
- | A \$0.07 dividend was paid on March 1, 2010.

Business Update

"The positive momentum in the business has solidified and we believe fiscal 2010 should be an excellent year for Jabil. We intend to continue our focus on customer service, cost efficient operations, and expansion of our capabilities and market," said Timothy L. Main, President and CEO.

Jabil management indicated that it expects its net revenue for its third quarter of fiscal 2010 to increase 3 to 10 percent, ranging from \$3.1 billion to \$3.3 billion. Jabil estimated that its core operating income for the quarter will grow 4 to 25 percent, ranging from \$100 million to \$120 million. Jabil indicated that it expects its core earnings per share for its third quarter of fiscal 2010 to improve 3 to 24 percent, ranging from \$0.30 to \$0.36 per diluted share. GAAP earnings per share are expected to be in a range from \$0.14 to \$0.25 per diluted share. (GAAP earnings or loss per share for the third quarter of fiscal 2010 is currently estimated to include \$0.03 per share for amortization of intangibles; \$0.07 to \$0.12 per share for stock-based compensation and related charges; and \$0.01 per share for restructuring.)

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 with an alternative 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 second fiscal quarter 2010 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 March 23, 2010 at approximately 7:30 p.m. ET through midnight on March 30, 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 63210269. 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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