

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	February 28, 2015 (Unaudited)	August 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 966,414	\$ 1,000,249
Accounts receivable, net	1,269,171	1,208,516
Inventories	2,105,183	2,008,077
Prepaid expenses and other current assets	935,063	1,057,562
Deferred income taxes	66,351	64,944
Assets of discontinued operations	—	19,669
Total current assets	5,342,182	5,359,017
Property, plant and equipment, net	2,435,704	2,271,705
Goodwill and intangible assets, net	618,594	627,700
Deferred income taxes	85,026	92,702
Other assets	96,650	128,622
Total assets	\$ 8,578,156	\$ 8,479,746
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of notes payable, long-term debt and capital lease obligations	\$ 11,258	\$ 12,960
Accounts payable	3,087,905	3,060,814
Accrued expenses	1,325,792	1,235,106
Deferred income taxes	785	5,094
Liabilities of discontinued operations	—	7,123
Total current liabilities	4,425,740	4,321,097
Notes payable, long-term debt and capital lease obligations, less current installments	1,662,778	1,669,585
Other liabilities	73,597	79,471
Income tax liabilities	92,243	87,555
Deferred income taxes	59,829	61,670
Total liabilities	6,314,187	6,219,378
Commitments and contingencies		
Equity:		
Jabil Circuit, Inc. stockholders' equity:		
Preferred stock	—	—
Common stock	246	244
Additional paid-in capital	1,916,255	1,874,219
Retained earnings	1,340,972	1,245,772
Accumulated other comprehensive (loss) income	(578)	86,962
Treasury stock, at cost	(1,012,330)	(965,369)
Total Jabil Circuit, Inc. stockholders' equity	2,244,565	2,241,828
Noncontrolling interests	19,404	18,540
Total equity	2,263,969	2,260,368
Total liabilities and equity	\$ 8,578,156	\$ 8,479,746

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per share data)
(Unaudited)

	Three months ended		Six months ended	
	February 28, 2015	February 28, 2014	February 28, 2015	February 28, 2014
Net revenue	\$ 4,309,323	\$ 3,577,315	\$ 8,859,741	\$ 7,920,026
Cost of revenue	3,941,504	3,364,165	8,108,935	7,372,625
Gross profit	367,819	213,150	750,806	547,401
Operating expenses:				
Selling, general and administrative	210,326	164,522	424,705	306,992
Research and development	6,501	6,604	12,506	15,658
Amortization of intangibles	5,783	6,180	11,373	12,501
Restructuring and related charges	20,358	32,203	32,616	53,206
Operating income	124,851	3,641	269,606	159,044
Interest and other, net	31,797	33,367	63,630	67,141
Income (loss) from continuing operations before tax	93,054	(29,726)	205,976	91,903
Income tax expense	35,272	2,539	75,061	22,215
Income (loss) from continuing operations, net of tax	57,782	(32,265)	130,915	69,688
Discontinued operations:				
(Loss) income from discontinued operations, net of tax	(4,562)	2,704	(3,709)	18,816
Loss on sale of discontinued operations, net of tax	(947)	(8,955)	(2,557)	(8,955)
Discontinued operations, net of tax	(5,509)	(6,251)	(6,266)	9,861
Net income (loss)	52,273	(38,516)	124,649	79,549
Net income attributable to noncontrolling interests, net of tax	321	151	535	294
Net income (loss) attributable to Jabil Circuit, Inc.	\$ 51,952	\$ (38,667)	\$ 124,114	\$ 79,255
Earnings (loss) per share attributable to the stockholders of Jabil Circuit, Inc.:				
Basic:				
Income (loss) from continuing operations, net of tax	\$ 0.30	\$ (0.16)	\$ 0.67	\$ 0.34
Discontinued operations, net of tax	\$ (0.03)	\$ (0.03)	\$ (0.03)	\$ 0.05
Net income (loss)	\$ 0.27	\$ (0.19)	\$ 0.64	\$ 0.39
Diluted:				
Income (loss) from continuing operations, net of tax	\$ 0.29	\$ (0.16)	\$ 0.67	\$ 0.34
Discontinued operations, net of tax	\$ (0.03)	\$ (0.03)	\$ (0.03)	\$ 0.05
Net income (loss)	\$ 0.27	\$ (0.19)	\$ 0.63	\$ 0.38
Weighted average shares outstanding:				
Basic	193,561	205,251	193,531	205,005
Diluted	195,473	205,251	195,534	206,892

JABIL CIRCUIT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Six months ended	
	February 28, 2015	February 28, 2014
Cash flows from operating activities:		
Net income	\$ 124,649	\$ 79,549
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	249,441	247,169
Restructuring and related charges	3,867	24,915
Recognition of stock-based compensation expense and related charges	32,982	(7,821)
Deferred income taxes	(1,370)	(28,265)
Loss on sale of property, plant and equipment	12,185	3,574
Other, net	13,177	6,840
Change in operating assets and liabilities, exclusive of net assets acquired:		
Accounts receivable	(97,859)	187,030
Inventories	(112,993)	342,794
Prepaid expenses and other current assets	105,311	215,376
Other assets	24,067	(22,448)
Accounts payable, accrued expenses and other liabilities	171,968	(914,097)
Net cash provided by operating activities	<u>525,425</u>	<u>134,616</u>
Cash flows from investing activities:		
Proceeds from sale of discontinued operations, net of cash	9,663	—
Acquisition of property, plant and equipment	(468,207)	(286,349)
Cash paid for business and intangible asset acquisitions, net of cash acquired	(11,897)	—
Proceeds from sale of property, plant and equipment	4,629	12,945
Other, net	4,894	—
Net cash used in investing activities	<u>(460,918)</u>	<u>(273,404)</u>
Cash flows from financing activities:		
Borrowings under debt agreements	3,352,676	3,789,192
Payments toward debt agreements	(3,358,147)	(3,860,319)
Payments to acquire treasury stock	(40,040)	(64,051)
Dividends paid to stockholders	(32,078)	(35,792)
Treasury stock minimum tax withholding related to vesting of restricted stock	(6,921)	(32,845)
Other, net	9,061	4,908
Net cash used in financing activities	<u>(75,449)</u>	<u>(198,907)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(22,893)</u>	<u>1,451</u>
Net decrease in cash and cash equivalents	<u>(33,835)</u>	<u>(336,244)</u>
Cash and cash equivalents at beginning of period	1,000,249	1,011,373
Cash and cash equivalents at end of period	<u>\$ 966,414</u>	<u>\$ 675,129</u>

JABIL CIRCUIT, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA
RECONCILIATION OF U.S. GAAP FINANCIAL RESULTS TO NON-U.S. GAAP MEASURES
(in thousands, except for per share data)
(Unaudited)

	Three months ended		Six months ended	
	February 28, 2015	February 28, 2014	February 28, 2015	February 28, 2014
Operating income (U.S. GAAP)	\$ 124,851	\$ 3,641	\$ 269,606	\$ 159,044
Amortization of intangibles	5,783	6,180	11,373	12,501
Stock-based compensation expense and related charges	14,968	14,652	33,011	(7,934)
Restructuring and related charges	20,358	32,203	32,616	53,206
Distressed customer charges	—	3,742	—	3,742
Core operating income (Non-U.S. GAAP)	<u>\$ 165,960</u>	<u>\$ 60,418</u>	<u>\$ 346,606</u>	<u>\$ 220,559</u>
Net income (loss) attributable to Jabil Circuit, Inc. (U.S. GAAP)	\$ 51,952	\$ (38,667)	\$ 124,114	\$ 79,255
Amortization of intangibles, net of tax	5,781	8,250	11,365	9,423
Stock-based compensation expense and related charges, net of tax	14,827	14,192	32,527	(8,413)
Restructuring and related charges, net of tax	20,248	27,892	32,196	45,589
Distressed customer charges, net of tax	—	2,337	—	2,337
Acquisition costs and certain purchase accounting adjustments, net of tax	—	—	—	(9,064)
Loss (income) from discontinued operations, net of tax	4,562	(2,704)	3,709	(18,816)
Loss on sale of discontinued operations, net of tax	947	8,955	2,557	8,955
Core earnings (Non-U.S. GAAP)	<u>\$ 98,317</u>	<u>\$ 20,255</u>	<u>\$ 206,468</u>	<u>\$ 109,266</u>
Net earnings (loss) per share (U.S. GAAP):				
Basic	<u>\$ 0.27</u>	<u>\$ (0.19)</u>	<u>\$ 0.64</u>	<u>\$ 0.39</u>
Diluted	<u>\$ 0.27</u>	<u>\$ (0.19)</u>	<u>\$ 0.63</u>	<u>\$ 0.38</u>
Core earnings per share (Non-U.S. GAAP):				
Basic	<u>\$ 0.51</u>	<u>\$ 0.10</u>	<u>\$ 1.07</u>	<u>\$ 0.53</u>
Diluted	<u>\$ 0.50</u>	<u>\$ 0.10</u>	<u>\$ 1.06</u>	<u>\$ 0.53</u>
Weighted average shares outstanding used in the calculations of earnings per share (U.S. GAAP):				
Basic	<u>193,561</u>	<u>205,251</u>	<u>193,531</u>	<u>205,005</u>
Diluted	<u>195,473</u>	<u>205,251</u>	<u>195,534</u>	<u>206,892</u>
Weighted average shares outstanding used in the calculations of earnings per share (Non-U.S. GAAP):				
Basic	<u>193,561</u>	<u>205,251</u>	<u>193,531</u>	<u>205,005</u>
Diluted	<u>195,473</u>	<u>206,622</u>	<u>195,534</u>	<u>206,892</u>

JABIL CIRCUIT, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA
RECONCILIATION OF U.S. GAAP FINANCIAL RESULTS TO NON-U.S. GAAP MEASURES
(in thousands)
(Unaudited)

**CALCULATION OF RETURN ON INVESTED CAPITAL
AND CORE RETURN ON INVESTED CAPITAL**

The Company calculates: (1) its "Return on Invested Capital" by annualizing its "after-tax U.S. GAAP operating income" for its most recently-ended quarter and dividing that by a two quarter average of its "net invested capital asset base" and (2) its "Core Return on Invested Capital" by annualizing its "after-tax non-U.S. GAAP core operating income" for its most recently-ended quarter and dividing that by a two quarter "average net invested capital asset base."

The Company calculates: (1) its "after-tax U.S. GAAP operating income" by subtracting a certain tax effect (the calculation of which is explained below) from its U.S. GAAP operating income and (2) its "after-tax non-U.S. GAAP core operating income" as its non-U.S. GAAP core operating income less a certain tax effect (the calculation of which is explained below). See elsewhere in this earnings release for a reconciliation of the Company's non-U.S. GAAP core operating income to its U.S. GAAP operating income.

The Company calculates its "average net invested capital asset base" as the sum of the averages (the calculations of which are explained below) of its stockholders' equity, current and non-current portions of its notes payable, long-term debt and capital lease obligations less the average (the calculation of which is explained below) of its cash and cash equivalents.

The following table reconciles (1) "Return on Invested Capital," as calculated using "after-tax U.S. GAAP operating income" to (2) "Core Return on Invested Capital," as calculated using "after-tax non-U.S. GAAP core operating income":

	<u>Three months ended</u>	
	<u>February 28, 2015</u>	<u>February 28, 2014</u>
Numerator:		
Operating income (U.S. GAAP)	\$ 124,851	\$ 3,641
Tax effect ⁽¹⁾	(35,178)	(2,410)
After-tax operating income	<u>89,673</u>	<u>1,231</u>
	x4	x4
Annualized after-tax operating income	<u>\$ 358,692</u>	<u>\$ 4,924</u>
Core operating income (Non-U.S. GAAP)	\$ 165,960	\$ 60,418
Tax effect ⁽²⁾	(35,459)	(7,016)
After-tax operating income	<u>130,501</u>	<u>53,402</u>
	x4	x4
Annualized after-tax core operating income	<u>\$ 522,004</u>	<u>\$ 213,608</u>
Denominator:		
Average total Jabil Circuit, Inc. stockholders' equity ⁽³⁾	\$ 2,239,861	\$ 2,343,125
Average notes payable, long-term debt and capital lease obligations, less current installments ⁽³⁾	1,664,577	1,676,578
Average current installments of notes payable, long-term debt and capital lease obligations ⁽³⁾	11,372	139,035
Average cash and cash equivalents ⁽³⁾	<u>(943,959)</u>	<u>(722,176)</u>
Net invested capital asset base	<u>\$ 2,971,851</u>	<u>\$ 3,436,562</u>
Return on Invested Capital (U.S. GAAP)	12.1 %	0.1 %
Adjustments noted above	5.5 %	6.1 %
Core Return on Invested Capital (Non-U.S. GAAP)	17.6 %	6.2 %

(1) This amount is calculated by adding the amount of income taxes attributable to its operating income (U.S. GAAP) and its interest expense.

(2) This amount is calculated by adding the amount of income taxes attributable to its core operating income (Non-U.S. GAAP) and its interest expense.

(3) The average is based on the addition of the account balance at the end of the most recently-ended quarter to the account balance at the end of the prior quarter and dividing by two.