



March 24, 2009

## Jabil Reports Quarterly Results & Provides Outlook

### **Healthy Free Cash Flow Tops \$250 Million**

[Slide Presentation](#)

[Statement of Income and Balance Sheet Data for Second Quarter 2009](#)

[Forward - Looking Statement](#)

**St. Petersburg, FL - March 24, 2009**...Jabil Circuit, Inc. (NYSE: JBL), today reported its preliminary, unaudited financial results for the company's second quarter of fiscal year 2009, ended February 28, 2009 and provided an outlook for the company's next quarter. "In a challenging environment we produced cash flow from operations of \$343 million for the quarter, resulting in free cash flow that exceeded our expectation," said President and CEO Timothy L. Main.

*(Definitions used: "GAAP" means generally accepted accounting principles in the United States of America. 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 and distressed customer charges. Jabil defines core operating margin as core operating income divided by net revenue. 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, distressed customer charges, 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 2009**

Net revenue for the second fiscal quarter of fiscal 2009 decreased 5.6 percent to \$2.9 billion compared to the same period of fiscal 2008.

Preliminary GAAP operating income (loss) for the second quarter of fiscal 2009 was a loss of \$0.5 million compared to income of \$1.6 million for the same period of fiscal 2008. Preliminary GAAP net loss for the second quarter of fiscal 2009 increased 75 percent to a loss of \$42.1 million compared to a loss of \$24.0 million for the same period in fiscal 2008. Preliminary GAAP diluted loss per share for the second quarter of fiscal 2009 increased 67 percent to a loss per share of \$0.20 compared to a loss per share of \$0.12 for the same period of fiscal 2008. *The preceding preliminary GAAP results are subject to further potential change pending the Company's completion of its review of goodwill for potential impairment and resulting deferred tax valuation allowance charges this fiscal quarter. See below for additional discussions.*

Core operating income for the second quarter of fiscal 2009 decreased 25 percent to \$51.2 million or 1.8 percent of net revenue compared to \$67.8 million or 2.2 percent of net revenue for the second quarter of fiscal 2008. Core earnings decreased 35 percent to \$27.3 million compared to \$42.0 million for the second quarter of fiscal 2008. Core earnings per share decreased 35 percent to \$0.13 per diluted share for the period compared to \$0.20 for the second quarter of fiscal 2008.

### **Sequential Second Quarter 2009 Operational and Balance Sheet Highlights**

- | Cash flow from operations for the quarter was approximately \$343 million.
- | Sales cycle was 20 days for the second quarter of fiscal 2009.
- | Annualized inventory turns were constant at eight turns for the quarter.
- | Capital expenditures for the quarter were approximately \$70 million.
- | Depreciation for the quarter was approximately \$67 million.
- | Cash and cash equivalent balances were approximately \$775 million at the end of the quarter.
- | Core Return on Invested Capital was 6.4 percent for the quarter.
- | A \$0.07 dividend was paid on March 2, 2009.

## Potential Goodwill Impairment

Due to further deterioration of the macro-economic environment and the continued decline in the price of the Company's common stock resulting in a sustained market capitalization below the Company's net book value, the Company has determined that an indicator of potential goodwill impairment is present for its second fiscal quarter. Accordingly, the Company has commenced performing a goodwill impairment analysis using the two-step approach as required under Statement on Financial Accounting Standards, No. 142 "Goodwill and Other Intangible Assets". The Company currently anticipates having such analysis completed in early April. In the event that the Company determines that its goodwill is impaired in whole or part, a non-cash charge, which is likely to be significant and would further increase reported GAAP net loss and loss per share for the fiscal second quarter of 2009. The potential impairment charge may also result in significant deferred tax valuation allowance charges. The goodwill balance that would be subject to such assessment of impairment as of February 28, 2009 is approximately \$721.3 million and the net deferred tax asset balance that would be subject to impairment as of February 28, 2009 is approximately \$184.2 million. The non-cash charge, if any, would not impact the non-GAAP financial information presented in this press release.

## Business Update

"Liquidity and balance sheet strength are key advantages in this market environment," said President and CEO Timothy L. Main. "We will continue to focus on controlling our capital, reducing costs and refining our value proposition. When end-markets stabilize and recovery begins, we will be ready with an outstanding, well-funded solution for a growing marketplace," he said. As of the end of its second fiscal quarter of 2009, Jabil has approximately \$775 million in cash and \$800 million available under a five-year revolving credit facility expiring in 2012. Main noted that the Company is aggressively cutting costs and is restructuring its operations to meet the changing demands of its customers.

Jabil management said end-markets remain difficult with limited visibility, and as a result, the Company thought it was prudent to take a conservative position regarding third quarter guidance. Jabil said it expects its net revenue for its third fiscal quarter of 2009 to be in a range from \$2.5 billion to \$2.7 billion, with estimated core operating income in a range from zero to \$40.0 million. Jabil said its core earnings per share for its third quarter of fiscal 2009 are anticipated to range from a loss of \$0.08 to earnings of \$0.08 per diluted share. GAAP earnings per share are expected to be in a range from a loss of \$0.23 to a loss of \$0.07 per diluted share. (GAAP loss per share for the third quarter of fiscal 2009 is currently estimated to include \$0.03 per share for amortization of intangibles; \$0.06 per share for stock-based compensation and related charges; and \$0.06 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, distressed customer charges 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 operating margin, 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 2009 earnings today at 4:30 p.m. ET live on the Internet at <http://jabil.com>. The earnings conference call will be recorded and archived for playback on the web at <http://jabil.com>. A taped replay of the conference call will also be available March 24, 2009 at approximately 7:30 p.m. ET through midnight on March 31, 2009. 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 90764395. An archived webcast of the conference call will be available at <http://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 the company's website: [jabil.com](http://jabil.com).

Investor & Media Contact:

Beth Walters

Vice President, Investor Relations & Communications

Jabil Circuit, Inc.  
(727) 803-3511  
[beth\\_walters@jabil.com](mailto:beth_walters@jabil.com)