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Jabil Circuit Reports Fiscal Year 2001 Second Quarter Results

Earnings Increase 17 Percent

20 March 2001
St. Petersburg, Florida

[Forward - Looking Statement](#)

Electronics manufacturing services provider Jabil Circuit, Inc. (NYSE: JBL) today reported results for the second quarter of its fiscal 2001, ended February 28, 2001. Revenue for the quarter increased 44 percent to \$1.2 billion compared to \$838 million for the same period of fiscal 2000.

Jabil's second quarter of fiscal 2001 net income increased 22 percent to \$41.3 million (excluding acquisition integration costs), compared with \$33.9 million for the second fiscal quarter of 2000, and earnings per share increased 17 percent to \$0.21 per diluted share, compared to \$0.18 for the second quarter of fiscal 2000.

Gross profit for the fiscal 2001 second quarter increased 29 percent to \$108.4 million or 9 percent of revenue compared to \$84.1 million or 10 percent of revenue for the corresponding quarter of fiscal 2000.

Operating income for the second fiscal quarter of 2001 increased 17 percent to \$59.2 million or 4.9 percent of revenue (excluding acquisition integration costs) compared to \$50.6 million or 6.0 percent of revenue for the second fiscal quarter of 2000. The company recorded \$0.8 million in integration costs during the quarter relating to the Marconi Communications transaction.

Income Statement -- Highlights

- | Second quarter revenue grew by 7.3 percent over the prior quarter.
- | Operating income decreased to \$59.2 million (excluding acquisition integration costs) from the prior quarter to 4.9 percent of revenue.
- | Net income after taxes was \$40.7 million or 3.4 percent of revenue.
- | Fully diluted earnings per share for the quarter were \$0.21 on an average of 198,325,000 shares.

Balance Sheet Review -- Highlights

- | Accounts receivable decreased by \$33 million to \$536 million in the second quarter.
- | Calculated DSO was 40 days, while collection experience was 38 days.
- | Inventories decreased by \$10 million in the quarter to \$632 million.
- | Calculated inventory turns were 7, comparable to the first quarter.
- | Debt to capitalization ratio was two percent at the end of the quarter.
- | Average return on assets was 7.7 percent.
- | Average return on equity was 12.3 percent for the fiscal second quarter.

Fiscal Year Guidance

The company said that a combination of inventory corrections and softened end-market demand has reduced the outlook for its third and fourth fiscal quarters. For its fiscal third quarter, the company currently expects revenue in the range of \$1 billion to \$1.1 billion and earnings of \$0.15 to \$0.18 per share. Management noted that current visibility with its customer base has eroded and therefore limited guidance to its third fiscal quarter.

Jabil said it expects to incur charges totaling \$20 million to \$25 million over the next two quarters. The charges are associated with reductions in the company's cost structure and acquisition integration costs. "We have taken decisive steps to align our manufacturing infrastructure to lower than anticipated volumes. We are doing this primarily through workforce reductions, an action we took after careful consideration and one we made with great reluctance. Jabil was founded and operates on the premise that every employee plays a vital role in the success of our company. Reductions in workforce are

a painful, but necessary step given the lower growth rate we expect for fiscal 2001," said Main.

"We continue to have great confidence in the overall demand for globally-based electronics manufacturing services. Jabil is in an excellent position to enjoy a resumption of profitable growth as the markets recover and the pace of outsourcing accelerates among vertically integrated product companies," said Main.

About Jabil

Jabil Circuit, Inc. is an electronic manufacturing services provider for international electronics companies in the communications, personal computer, peripheral, consumer and automotive markets. Jabil offers circuit design, board design from schematic, prototype assembly, volume board assembly, system assembly, repair and warranty services from facilities in the North America, Europe, Asia and Latin America. Further information about Jabil can be found on the World Wide Web at <http://www.jabil.com>

This press release contains certain forward-looking statements. These statements are not historical facts, but instead represent only the Company's belief regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. For a discussion of some of the risks and factors that would affect the firm's future results, see the Company's most recently filed SEC documents such as the Form 10-K, filed 11/28/00. . Some factors include: business conditions and growth in the contract manufacturing industry and the general economy; variability of operating results; dependence on a limited number of customers; limited availability of components; dependence on certain industries; variability of customer requirements.