



Jabil Results Exceed Guidance

Expects Continuing Improvement

[Slide Presentation](#)

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

[Forward - Looking Statement](#)

St. Petersburg, FL - September 29, 2009...Jabil Circuit, Inc. (NYSE: JBL), reported its preliminary, unaudited financial results for the fourth quarter and fiscal year 2009, ended August 31, 2009. "Marked improvement in our sequential performance was aided by cost cutting, increased productivity, market share gains and a more benign end-market environment. Income gains were matched with cash flow generation and balance sheet improvements during the quarter," 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 certain 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, certain distressed customer charges, 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.)

Fourth Quarter 2009

Net revenue for the fourth fiscal quarter of fiscal 2009 was \$2.8 billion compared to \$3.3 billion for the same period of fiscal 2008. GAAP operating income for the fourth quarter of fiscal 2009 was \$43.1 million compared to income of \$87.8 million for the same period of fiscal 2008. GAAP net income for the fourth quarter of fiscal 2009 was \$5.5 million compared to net income of \$57.5 million for the same period of fiscal 2008. GAAP diluted earnings per share for the fourth quarter of fiscal 2009 were \$0.03 compared to \$0.28 for the same period of fiscal 2008.

Core operating income for the fourth quarter of fiscal 2009 was \$65.4 million or 2.3 percent of net revenue compared to \$104.7 million or 3.2 percent of net revenue for the fourth quarter of fiscal 2008. Core earnings for the fourth quarter of fiscal 2009 were \$33.4 million compared to \$61.7 million for the same period of fiscal 2008. Core earnings per diluted share for the fourth quarter of fiscal 2009 were \$0.16 compared to \$0.30 for the same period of fiscal 2008.

Fiscal Year 2009

Net revenue for the fiscal year was \$11.7 billion compared to \$12.8 billion for fiscal 2008.

GAAP operating income for fiscal 2009 was a loss of \$910.2 million compared to income of \$251.4 million for fiscal 2008. GAAP net loss for fiscal 2009 was \$1.2 billion compared to net income of \$133.9 million for fiscal 2008. GAAP diluted loss per share for fiscal 2009 was \$5.63 compared to earnings per share of \$0.65 for fiscal 2008.

Jabil's fiscal 2009 core operating income was \$246.8 million or 2.1 percent of net revenue compared to \$379.9 million or 3.0 percent of net revenue for fiscal 2008. Core earnings for fiscal 2009 were \$132.0 million compared to \$231.0 million for fiscal 2008. Core earnings per diluted share for fiscal 2009 were \$0.63 compared to \$1.12 for fiscal 2008.

Fourth Quarter 2009

Operational and Balance Sheet Highlights

- Cash flow from operations for the quarter was approximately \$169 million.
- Sales cycle was 16 days for the fourth quarter of fiscal 2009.
- Annualized inventory turns increased to nine turns for the quarter.
- Capital expenditures for the quarter were approximately \$57 million.
- Depreciation for the quarter was approximately \$66 million.

- Cash and cash equivalent balances were approximately \$876 million at the end of the quarter.
- Core Return on Invested Capital was 11.5 percent for the quarter.
- Jabil paid a \$0.07 dividend on September 1, 2009.

Business Update

"Based upon our current expectations, it appears as though the worst of the recession is behind us. However, we remain vigilant and will continue to focus on productivity, quality and balance sheet health even as revenues begin to recover. We are grateful for the dedicated efforts of our global workforce and look forward to a more robust fiscal 2010," said President and CEO Timothy L. Main. Through the twelve months ended August 31, 2009, the company produced cash flow from operations of \$556 million and currently has more than \$800 million in cash. During the quarter the company repurchased \$295 million of its 5.875% senior notes that were due in 2010 (98% of the total outstanding) and closed on its \$312 million offering of 7.75% senior notes due 2016. The company also has an \$800 million revolving credit facility. "In short, we are ready to take advantage of opportunities for growth in our fiscal 2010," said Main.

Jabil management said it expects to divest of its automotive electronics manufacturing entity located in Western Europe during its first fiscal quarter of fiscal 2010. The company indicated it expects a loss of \$20 to \$25 million on the sale of the entity, of which \$4 million is expected to be cash. Subject to country-specific regulatory approvals and other closing conditions, the transaction is anticipated to close during the company's first fiscal quarter.

Fiscal First Quarter 2010 Guidance

Jabil management indicated that it expects its net revenue for its first fiscal quarter of 2010 to be in a range from \$3.0 billion to \$3.2 billion. The company estimated that its core operating income would be in a range from \$85 million to \$105 million, driven by the continued demand from its customers, further manufacturing efficiencies and the benefit of cost reductions. Jabil indicated that it expects its core earnings per share for its first quarter of fiscal 2010 to range from \$0.24 to \$0.32 per diluted share. GAAP earnings per share are expected to be in a range from \$0.02 to earnings of \$0.12 per diluted share. (GAAP earnings or loss per share for the first quarter of fiscal 2010 is currently estimated to include \$0.10 to \$0.12 per share loss on the aforementioned automotive divestiture; \$0.03 per share for amortization of intangibles; \$0.05 per share for stock-based compensation and related charges; and \$0.02 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, certain other expenses 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 fourth fiscal quarter 2009 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 September 29, 2009 at approximately 7:30 p.m. ET through midnight on October 5, 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 30414383. 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 the company's website: [jabil.com](http://www.jabil.com).

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