



Jabil to Divest Aftermarket Services for \$725 Million

ST. PETERSBURG, Fla -- Jabil Circuit, Inc. (NYSE: JBL) today announced that it has entered into an agreement with iQor Holdings, Inc. for the sale of its aftermarket services business for \$725 million.

In 1999, Jabil entered the electronics warranty repair business through a \$30 million acquisition (later named Jabil Aftermarket Services, or AMS). "Our AMS business has been a wonderful asset to Jabil over the past 14 years, as it grew through internal growth and acquisitions to represent \$1.1 billion in revenue for Jabil in fiscal 2013. Today, Jabil's AMS business is concentrated in depot repair for consumer electronics, which is not aligned with our strategy to focus on diversified manufacturing solutions," said Mark T. Mondello, Jabil's C.E.O.

"This divestiture should provide us the financial flexibility to potentially add more engineering intensive capabilities, which should allow us to expand and diversify our core manufacturing business. We expect to continue to pursue opportunities similar to our recent Nypro acquisition," added Mondello.

Jabil has agreed to an exclusive aftermarket service agreement with iQor designed to facilitate continuity of service for existing Jabil customers. "We sincerely appreciate our AMS team and their commitment to customer care and consistency in execution. We are confident that the strategic fit with iQor will make for a smooth transition for our Jabil employees, and the vast majority of our AMS customers will benefit significantly from being a part of iQor," said Mondello.

Of the \$725 million purchase price, \$675 million is cash and \$50 million is senior nonconvertible preferred stock of iQor that accretes dividends at an annual rate of 8 percent and is redeemable in nine years or upon a change in control. The final purchase price is subject to certain customary adjustments. The transaction is subject to certain closing conditions, including regulatory approvals and receipt of third party consents, and is anticipated to close in Jabil's third fiscal quarter of 2014.

In connection with the decision to sell this business, commencing with Jabil's second fiscal quarter, the operating results associated with this business will be reclassified into Discontinued Operations — net of tax in the Condensed Consolidated Statements of Operations, and the assets and liabilities associated with this business will be reflected in the Condensed Consolidated Balance Sheets as assets and liabilities of discontinued operations, on a retroactive basis.

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J.P. Morgan is serving as the exclusive financial advisor to Jabil and Holland & Knight LLP is acting as Jabil's legal counsel in this transaction.

Jabil said the Company would provide further details and answer questions about this transaction on its first quarter of fiscal 2014 earnings call currently scheduled for December 17, 2013 at 4:30 pm EST.

About Jabil

Jabil is an electronic product solutions company providing comprehensive electronics design, manufacturing and aftermarket product management services to global electronics and technology companies. Offering complete product supply chain management from facilities in 30 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.

FORWARD LOOKING STATEMENT: This news release contains forward-looking statements, including those regarding the amount Jabil will receive upon redemption of the Preferred Stock; the funding of the purchase price; the satisfaction of the closing conditions; the expected purchase price; the completion of the transaction by Jabil's third fiscal quarter of 2014; Jabil's strategy of focusing on diversified manufacturing services; this divestiture providing Jabil with financial flexibility to potentially add more engineering intensive capabilities, which should allow Jabil to expand and diversify its core manufacturing; Jabil's pursuit of entities similar to its recent Nypro acquisition; and the strategic fit of the AMS business under iQor's ownership as opposed to Jabil's, and the resulting effect on the customers and employees of the AMS business. The statements in this news release are based on current expectations, forecasts and assumptions involving risks and uncertainties that could cause actual outcomes and results to differ materially. These risks and uncertainties include, but are not limited to: the transaction failing to close for any reason, including a failure to obtain the necessary third party consents and regulatory antitrust clearances; a delay in closing; the potential retention of certain continuing liabilities under contracts requiring consent due to a failure to obtain such consents prior to closing; financing for the transaction not occurring as anticipated; the actual purchase price differing materially from the expected purchase price; the Preferred Stock proving to have a value substantially less than the stated \$50 million face value or not being redeemed in full in nine years; the exclusive service agreement and limited covenant not to compete could impair Jabil's ability to attract and retain customers; if not beneficial to AMS customers, the exclusive aftermarket service agreement with iQor could negatively impact Jabil's business with common customers; changes to Jabil's strategic focus; changes to Jabil's acquisition strategy and philosophy; fluctuations in our stock's market price; fluctuations in operating results and cash flows; unexpected, adverse seasonal impacts on demand; changes in macroeconomic conditions, both in the U.S. and internationally; our financial performance during and after the current economic conditions; our ability to maintain and improve costs, quality and delivery for our customers; risks and costs inherent in litigation; whether our realignment of our capacity will adversely affect our cost structure, ability to service customers and labor relations; our ability to take advantage of perceived benefits of offering customers vertically integrated services; changes in technology; competition; anticipated growth for us and our industry that

may not occur; managing rapid growth; managing rapid declines in customer demand and other related customer challenges that may occur; our ability to successfully identify and consummate acquisitions and divestitures; managing the integration of businesses we acquire; risks associated with international sales and operations; retaining key personnel; our dependence on a limited number of large customers; business and competitive factors generally affecting the electronic manufacturing services industry, our customers and our business; and other risks, relevant factors and uncertainties identified in our Annual Report on Form 10-K for the fiscal year ended August 31, 2013, subsequent Reports on Form 8-K and our other securities filings. Jabil disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Contacts

Jabil Circuit, Inc.

Beth Walters, 727-803-3511

Senior Vice President, Investor Relations & Communications

beth_walters@jabil.com

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