

Jabil: Innovation & Growth



JABIL

2010 ANNUAL REPORT

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CORPORATE GOVERNANCE & FINANCIAL RESPONSIBILITY

Jabil's management team and Board of Directors comply with Securities and Exchange Commission, Sarbanes-Oxley and NYSE corporate governance requirements. Our consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles. We maintain disclosure controls and procedures designed to ensure that information required to be disclosed by the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission.



Our People Drive Advancements, Stimulate Growth

During 2010 hundreds of Jabil employees put an exclamation mark on ingenuity and our commitment to increasing shareholder value by participating in “Deliver Best Practices,” our continuous improvement competition to recognize and promote process advancements at Jabil. This year 309 industrious ideas, submitted from 47 sites, added to Jabil’s bottom line in dollars saved or costs avoided; increased revenues with new business wins; made our business more efficient; reduced our carbon footprint and improved employee engagement. The competition also delivered indirect benefits, such as boosting morale and helping newer sites and employees become familiar with Jabil’s culture and values.

Many of this year’s projects reflect our commitment to eliminating waste by utilizing Lean methodologies and improving manufacturing accuracy through the application of Six Sigma tools. And, while Jabil employees pride themselves on taking care of customers and delivering operational excellence, they also enjoy sharing what they are doing around the world in human development and social and environmental responsibility.



Jabil's 2010 Deliver Best Practices competition finalists presented their projects to Jabil's Board of Directors in October.

CUSTOMER SATISFACTION

Functional areas of Jabil have different customers but we all strive to improve customer satisfaction. Our six final projects in the customer satisfaction category saved Jabil more than \$9 million and were directly tied to new business wins.

SUZHOU WINS BUSINESS WITH INNOVATION

Jabil's Suzhou Green Point Tooling group turned the global recession into an opportunity. The drop of overall production requirements at the site meant excess capacity was available, so the Suzhou team sought out new business.

They compounded their challenge by boldly entering a new market for which they had no comparable experience – designing a tablet product. It was a tough learning curve because the Suzhou team had to design a new front housing assembly, frame shape and steel parts. In addition to understanding their customer's product needs, the Suzhou team also simultaneously faced the need to improve machine efficiencies to shorten lead times and costs.

Raising the bar paid off. These improvements allowed them to offer costs that were lower than their competition, allowing them to win the business. This project helped the Suzhou site increase revenue and gain a new skill set and customer in the process.

BEIJING SETS THE BAR HIGH



Sometimes speed to market is as important as quality execution, as the Beijing team learned when it was given a seemingly impossible task: Cut the usual timeframe to design tools and produce a new smart phone in half and reduce the cost of producing the phone.

The team set to work cutting two weeks out of the tooling release to Engineering Verification Test build. They had to define the appearance of the product, its surface, the materials used in each part, paint, icon positioning, logo and packaging. They compressed the usual ramp-up to production to just a week and a half. The team also found ways of improving elements of the phone's design. The result: Jabil's Beijing design team delivered a better product, in a shorter time frame, at a reduced cost and won new business.

TISZAUJVAROS MAKES SATISFIED CUSTOMER HAPPIER

Jabil Tiszaujvaros created a project that would allow it to increase customer satisfaction and loyalty by eliminating waste using Lean value stream and improving manufacturing accuracy using Six Sigma methodology. Their goal was to build greater flexibility into the customer relationship so they could react more immediately to developing needs. Tiszaujvaros nearly doubled its capacity in a matter of weeks to meet demand and doubled it again ten months later.





CHIHUAHUA TURNS TRANSFER INTO OPPORTUNITY

Although business transfers are the normal course of business for global manufacturers, they can be difficult and treacherous. In Chihuahua, our team was challenged to increase profitability during a transfer while maintaining customer confidence.

The team found opportunities to reduce work in process while reducing space, the number of workstations, and employees, resulting in more than \$450,000 in cost avoidance. Another half a million dollars of savings were realized through Lean processes that reduced waste — work in process, scrap and material handling.



JENA ENGINEERS A NEW STRATEGY AND NEW PRODUCT

As one of Jabil's smallest sites, Jena's customer satisfaction project was to design a key component for a video product customer who had never outsourced either the design or complete product manufacturing. The design win was tied to manufacturing and supply chain services for the customer, so a cross-functional global team had to be assembled.



By establishing a new replicable way for globally dispersed business development, design and manufacturing teams to work together to fulfill customer requirements, Jena was awarded new business with this customer for another project and won more design business for a new, innovative medical product.

REYNOSA MEETS CHALLENGE, WINS NEW BUSINESS

In order to meet an urgent five-day turnaround time and bring down inventories on aging units to 15 percent of total work in process, a Jabil team in Reynosa rose to the challenge. After identifying each area where improvements could be made the team put forth a winning plan.

Improvements included establishing a new layout for receiving, installing a conveyor, and placing a gravity rack for first in, first out purposes. Capacity is now balanced according to an inbound product model. Reynosa's reward was winning additional business from this satisfied customer.



HUMAN DEVELOPMENT

Featuring the best initiatives to benefit Jabil employees or improve the work environment, projects from Chihuahua to Uzhgorod ranged from creating a global electrostatic discharge program to developing leaders and measuring job activities.

PENANG USES MARKETING TO INCREASE KAIZEN ACTIVITY

To help Jabil seek improvements in every corner of its business, the Penang team undertook a project to increase Kaizen activity and interest. Their team saw an opportunity to build up the Kaizen culture and further align it to Jabil's corporate mission.

The team embarked on a high-profile campaign to promote and publicize Kaizen goals and techniques that included: an employee suggestion system; a value stream mapping dashboard; a Lean roadmap; hanging posters and banners; and weekly Kaizen-related emails. Additional training and coaching were also offered, as was a series of competitive rewards for the best new ideas. As a result of this program, the average submission per month tripled within a year — a 266 percent improvement — boosting Penang to the top Kaizen submission rate among all Jabil sites in Asia. The program also improved employee engagement and delighted the customer with improvements and performance.

GUADALAJARA GAINS BY INVESTING IN EMPLOYEES

The Guadalajara team set out to create a human development program that could expand opportunities for development of direct labor employees through tutoring, scholarships and training. The program's goal was to increase participants each year of the program.

Instructors taught technical, human development/life and competency skills. From spelling and drafting to life projects, including tolerance, finance and

decision-making, as well as teamwork, communications and time management. In the first year nearly 150 employees participated in the program. The Guadalajara program has increased retention, saved on hiring costs and rewarded the talent of dedicated and motivated employees.



UZHGOROD TURNS REGIONAL PROBLEM INTO GLOBAL SOLUTION

Jabil Uzhgorod found itself challenged to establish an efficient electrostatic discharge control program. The Uzhgorod team tackled the electrostatic discharge issue by finding best practice solutions that would work locally and globally for Jabil. They recognized that developing and propagating solutions would enhance the company's reputation and potentially increase future business.



Among the steps the Uzhgorod team undertook were extending the life of protective garments from six months to a year on average and posting licensed electrostatic discharge standards on a new community website.





EVALUATIONS INCREASE PERFORMANCE AT JABIL CHIHUAHUA

With the premise that “what is not measured is not improved,” a Chihuahua team set out to create a process to measure employees in a positive environment for the activities for which they were hired. Research showed, for example, that support technicians completed their assigned tasks each week but were not using their total capacity.

In response, job descriptions for industrial, engineering, quality, purchasing and inventory control were prioritized against value-added versus non-value added activities and other activities were incorporated into their responsibilities. They rewrote job descriptions, priorities and responsibilities for each position so expectations were better established, well defined and measurable by common metrics. Results of their project include higher productivity, better understanding of job requirements and improved morale.



PREPARED LEADERS IMPROVE PROCESSES IN TISZAÚJVÁROS



Thanks to extended business opportunities at Tiszaújszász, the site’s manufacturing leaders were faced with positive new challenges ranging from higher volume and more frequent changes to demand for faster reaction time and increased responsibility for making independent decisions. To serve these needs and further develop the competencies of its current and

future managers, the human development team created a plan to improve a variety of skills. These included: communication, problem solving, leadership, cooperation and consistency.

The team recommended one-on-one coaching for leaders upon completion of the module. Utilizing corporate trainers instead of purchasing development center training and coaching solutions from vendors realized a direct cost savings of nearly \$400,000.

BUSINESS NEEDS REQUIRE SHANGHAI'S RAPID HIRING

In order to meet its growing business needs, a Shanghai human resources team developed a number of innovative practices to respond to sudden increases in demand. Externally, these included: an employee recruitment program; an engineers job fair; open recruitment days; handicapped hiring practices; a government internship program; and university tuition sponsorship. Internally, the team set up an “Engineers in Training” program; internal site trainer program; the Jabil Shanghai College; and a new human development program.

Deploying these hiring upgrades allowed Shanghai to advance on a dual labor track. Even as it reduced its traditional hiring lead-time by 10 days, it enhanced career path and training opportunities for existing employees, many of whom saw a rush of new doors open for advancement. The team also saved Jabil nearly \$300,000 by putting these programs in place.



OPERATIONAL EXCELLENCE

Operational Excellence projects were submitted from every site and from numerous functional areas. Many of these projects are simply doing something better; they are practical, hands-on ideas that can change, replace or even eliminate current practices around the company.

KWIDZYN IMPROVES PERFORMANCE AND SAVES

An operational excellence team in Kwidzyn set out to raise overall equipment effectiveness as a result of new best practices. The scope of the project included multiple departments, including manufacturing, purchasing, planning, manufacturing and test engineering, and maintenance services, although it was mainly focused on the surface mount technology areas on all lines in the flexcell workcells.

Among the main areas with direct influence on overall equipment effectiveness levels are availability and performance. By increasing availability by 21 percent and performance by 15 percent and reducing machine downtime to just 8 percent, the team met their monthly goals of producing 220,000 boards and improved on-time delivery and customer satisfaction. The Kwidzyn team believes its target should eventually be 95 percent and anticipates saving more than \$300,000 monthly. The team's project achieved overall equipment effectiveness of 52 percent and saved more than \$2 million.

SHANGHAI'S ATTENTION TO DETAIL BRINGS SAVINGS

A Shanghai team set an ambitious goal of reducing its material lost in production and scrap rate by 80 percent in just one quarter. Recognizing that the scrap issue was common to all Shanghai business, it was an important opportunity for the entire facility.

Solving the problem required great attention to detail. The team studied its feeder maintenance and inspections buy off procedure, parts library, cleaning equipment procedures and the human element of training operators. The team uncovered many improvements, implemented numerous changes in process and saw significant and immediate improvements. They were able to improve scrap rate by 80 percent and the changes saved \$8,000 per bay, per month, saving almost \$500,000 annually. With success in sight, they began rolling out the upgrades plant-wide and recommending them to other Jabil sites using the same type of machine configurations.



KANBAN HELPS TISZAUJVAROS CONTROL INVENTORY AND DECREASE DOWNTIME

Tiszaújváros needed a way of decreasing its inventory to a more manageable level and decided to introduce Kanban replenishment triggered by consumption. The Tiszaújváros team's goal was to reduce the amount of raw material on the shop floor by 70 percent without interrupting production timetables. The true value of that reduction was \$1.9 million, plus a savings of \$115,000 per month in downtime cost reduction.

Through a detailed analysis, the team's goal was the creation of a new process capable of maintaining accurate inventory, optimizing space and head count. Materials were pulled from both the production and surface mount technology lines.





CHIHUAHUA SYSTEM SUPPORTS INTERNAL AND EXTERNAL CUSTOMERS

During a tight supply market, Chihuahua's shortage management process was challenged to support the flexibility its customers needed. A team set out to systematically increase the analysis bandwidth across the entire supply chain, keep the supply base in control and allow buyers to focus on continuous improvement activities.

This project required allegiance to two customers. Externally, the paying customer wanted a faster and more accurate response to its forecast changes, while the supplier needed real-time and equally accurate requirements. Internally, Jabil Chihuahua manufacturing required production materials in place to run efficiently, while finance management urged the team to reduce excess and obsolete parts as well as premium impacts such as freight and purchase price variance. Overall, the Chihuahua project reduced weekly processing by 85 percent. It also eliminated 17 activities and reduced six others.



PUNE TRANSFORMATION BRINGS CHANGES & RECOGNITION



Recognizing a need for better integration between man, material, machine and information flow, a team from Pune effected a total transformation of a workcell with a focus on waste reduction and opening up space in the plant for future new business opportunities.

Ambitious goals for the project included: a 30 percent space reduction; 50 percent improvement in transportation index; 50 percent reduction in work in progress; 10 percent direct labor headcount improvement; 30 percent indirect labor headcount improvement; and a 5 percent improvement in line utilization.

TEMPE CREATIVITY YIELDS SAVINGS, GROWTH & SHARING

The Tempe Layout Transformation team saw an opportunity to grow the facility's business by engineering a dramatic reworking of its production floor plan, optimizing the flow for high-mix, low-volume manufacturing. This overhaul was accomplished at an actual cost of 10 percent of the initial project forecast, which included materials and man hours devoted to the project.



They accomplished this transformation by utilizing multiple best practices, including a new workcell design strategy and a reconfigured facility that supports expansion, mobility and flexibility of the site. Once the design was refined and the placement of customer workcells was approved, spaghetti diagrams were redrawn on the new design to illustrate improvements to flow.

SOCIAL & ENVIRONMENTAL RESPONSIBILITY

The social and environmental entries this year were innovative, environmentally friendly and saved nearly \$10 million in costs for Jabil, including \$3 million in energy savings. These six projects helped Jabil reduce its carbon footprint by 8,000 metric tons, demonstrating that earth-friendly can be business-friendly, too.

OPTIMIZED PLASTIC PRODUCTION REDUCES WASTE

A team in Taichung determined that all Jabil Green Point's plastic waste was creating tons of material scrap every month. It was with this huge number in mind that the Taichung team set out to make a difference. The goal was a 40 percent average reduction in material waste.

The team engineered two different waste-reducing improvements to a smart phone case: reducing the length waste by 35 percent and reducing weight waste by 53 percent.

The Taichung team estimates the eight Jabil Green Point sites can save material costs by eliminating 210 tons of material scrap annually. In addition, they can save injection molding operational and labor costs. The facility's new processes will also eliminate an average of 70,000 in operating hours from injection molding machines annually.

SHANGHAI REDUCES CARBON FOOTPRINT, OPTIMIZES EFFICIENCY

A Shanghai team focused on reducing all energy consumption for utility systems, including electricity, water, diesel oil and nitrogen gas that is used in manufacturing production processes. While the Chinese government set a goal of reducing the industry's carbon footprint by six percent annually, the Jabil Shanghai team stepped up and publicly committed to reduce its carbon footprint by 17 percent in 2010.

During the first year environmental upgrades reduced total utilities consumption by 27 percent — nearly five times the government's goal. This was an excellent start to a continued focus for every Jabil site - containing energy environmental impact and utility costs.

MEMPHIS PACKAGING REDUCES CARBON FOOTPRINT

A Memphis Aftermarket Services team helped reduce Jabil's carbon footprint by focusing on packaging and logistical operations whose processes contribute to landfill waste. In addition to packaging improvements, the team also looked for opportunities to reduce transportation costs on shipments to Mexico.

Jabil was using as many as 80 pallets in Memphis for storing foam packaging and determined that by reducing the amount of foam in each of its average 150,000 packages shipped per month, they could save nearly \$400,000. Increasing packaging capacity, they could save another \$200,000 every month. Truckload capacity was improved by 53 percent and general truck schedules were reduced by about 50 percent.

Green initiatives piled up thanks to the team's enthusiasm: using water-based paint; reducing lamps in non-essential areas; installing intelligent thermostats; and recycling polystyrene foam, white paper, aluminum cans and circuit board material. Reduced logistics costs could save Jabil almost \$3 million.





TISZAUJVAROS RAISES ENERGY EFFICIENCY AND CUTS COSTS

A team in Tiszaújváros tackled energy efficiency in our Hungarian site. The team scoured plant operations in search of outdated and outmoded systems and practices that could be streamlined or made more energy efficient. They identified existing deficiencies and reserves, technical progress opportunities, and the plant's potential for greater measurement and internal controls – and they did it with a zero-cost philosophy.

Among their savings: 70 percent of lighting energy was saved through source replacement; summer gas consumption dropped by 75 percent and gross savings from replacing metal halide lamps and fluorescent tubes with LED light sources was reduced by 75 percent. An added benefit is that the new lights produce less heat, which saves on cooling costs. A boiler station upgrade saved \$24,000 and reduced carbon emissions by 267 tons per year. Their total savings were over \$400,000.



SZOMBATHELY PACKAGING CREATES WINS FOR CUSTOMER AND JABIL

Jabil Szombathely Aftermarket Services' work delivers large volumes of packaging material into its Material Return Center, which validates and tests devices and accessories. They also purchased similar packaging material that is used for returning repaired mobile phones and tested spare parts. The team figured they could reduce waste if these two activities could share packaging. They wanted to reuse the inbound packaging for the outbound shipments.



The challenge was that the inbound cartons and electrostatic discharge bubble bags were written on, damaged or had labels that could not be removed. They created an effective label removal method and increased the quantity of reused packaging by motivating their service partners to avoid writing unnecessary messages on cartons and to generally take better care of them in transit. The team also identified more internal customers, who could employ previously used electrostatic discharge bags for storing or shipping materials.

AUBURN HILLS REDUCES ELECTRICITY USAGE

A Jabil Auburn Hills facilities team was motivated to reduce its utilities costs when they realized how much the site was spending each month. Their first step was to purchase a load-monitoring system.



The next step was to set the usage monitor 15 percent below last year's peak. When the monitoring system alerted them that the site had hit the peak, the team jumped in with corrective actions. The plant has lowered its peak demand by about 200 kilowatt hours monthly. Encouraged by their results, the team is

continuing its project by investigating additional areas for lighting energy usage improvements.

DEAR EMPLOYEES, SHAREHOLDERS AND PARTNERS:

Fiscal 2010 was an outstanding year for Jabil. We began the fiscal year on a positive note, beating expectations in our first fiscal quarter. Throughout the year, we posted progressively positive results, closing in a superb way with a record fourth quarter and fiscal year for Jabil. We expect the positive performance trends established over the course of fiscal 2010 to continue into fiscal 2011, building on our strategic emphasis of differentiation in targeted high growth business areas.

We closed fiscal 2010 with \$13.4 billion in revenue, representing 15 percent year over year growth. Operating margins rebounded significantly from mid-fiscal 2009 levels. Initially the rebound was driven by operating leverage, but later in the year was increasingly powered by proactive improvements in our portfolio mix, lean manufacturing initiatives and scale. Operating margins and earnings increased over 2009 as did return on capital metrics. Assuming global economic trends remain stable, we expect fiscal 2011 to further demonstrate growth and margin expansion.

Jabil will drive differentiation as a cornerstone of our business expansion. In order to provide greater focus internally and to help investors understand the strategic direction of our company, we will be reporting our business results in three distinct business areas:

1. **Diversified Manufacturing Services** is comprised of our business activities in the three distinct areas of industrial & clean technology, healthcare & life sciences and Specialized Services, encompassing our Aftermarket Services and Jabil Green Point.
2. **Enterprise & Infrastructure** encompasses our networking, computing, storage, telecommunications and certain other products having highly complex, large scale system requirements.
3. **High Velocity Systems** focuses on higher volume, lower mix production of products for customers in the printing, set-top box, automotive, displays and mobility markets.

We expect our growth and earnings engine will continue to shift to Diversified Manufacturing Services. These business areas afford us the greatest opportunity for genuine differentiation and also allow us to participate in powerful global trends.

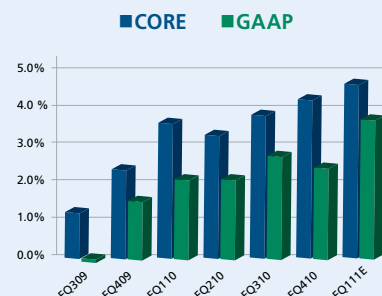
We are a market leader in the production of clean tech products and services and we expect policies around the world will continue to emphasize renewable energy and the more efficient distribution, management and storage of power. We expect our clean tech business to have revenue of approximately \$1.4 billion in fiscal 2011, growing 40 percent over fiscal 2010. Jabil is actively engaged across a broad spectrum of product areas, from solar panels, to smart grid meters and wind turbines. We expect to continue to invest and aggressively grow these important areas of activity.

We have a leading capability in the healthcare and life sciences field and believe that the trend to globalize production, reduce cost, service aging populations in the developed world and increasingly affluent young populations in emerging economies will drive excellent long-term growth. Jabil is in a position to be the provider of choice in this field as we offer a unique combination of capabilities, technology know-how and global presence. Recently Jabil worked with a leading healthcare equipment customer on the design and production of a portable ultrasound product. This project leveraged Jabil's know-how in consumer electronics, healthcare and our high quality, low-cost sites in emerging economies.

Specialized Services provide capabilities and know-how to customers that are differentiated. Aftermarket Services has posted outstanding growth over the past three years and our market position continues to gain traction and sophistication around the world.

Jabil Green Point has an unparalleled innovation and technology engine, combining materials and process know-how to pioneer new ways of differentiating customer products in attractive packages. This portion of our business is enjoying outstanding growth as it participates in the global trend toward mobile internet and smartphone devices. We expect the contribution it makes to our business to increase and to broaden to other target markets, notably healthcare and life science. In fiscal 2011, Jabil Green Point should post outstanding growth as new customers, process technologies and areas of activity gain ground and market acceptance.

OPERATING MARGINS RISING



Jabil's rapid growth in Diversified Manufacturing Services and intense operational focus has driven steadily expanding operating margins.

Timothy L. Main
President and
Chief Executive Officer



Customers in Enterprise & Infrastructure come to Jabil for our market-leading ability to provide wide ranging, globally-based capabilities necessary to service an increasingly complex world. Continuous investment in our IT infrastructure gives us a key advantage, and a single instance of SAP worldwide offers us a tremendous lead in the cadence and accuracy of critical demand-supply planning information and tool development. Our ability to rapidly deploy complex manufacturing and supply chain systems and manage them holistically at best-in-class quality levels is highly differentiated. We believe customers in this area want fully-scaled global players with high-integrity, sound financial health and advanced systems. The group of competitors that fit this description is small. We remain focused on building differentiation based upon global capabilities and cost for a select group of leading customers.

Our High Velocity Systems customers benefit from globally competitive manufacturing services, value engineering, product completion services, fast decision making and execution. We offer a superior global footprint, access to emerging markets, a full range of product integration and localized supply chain services. We have unique and highly differentiated tools that can carefully analyze global logistics and changing economic parameters to choose the correct combination of sites and activities to yield our customers the lowest total cost. We are highly selective of the customers we do business with in this area and look for long-term relationships that are strategically grounded.

As the company emphasizes differentiation and growth in targeted markets, we expect to achieve balanced growth with structurally improved earnings power at lower-risk levels. In Diversified Manufacturing Services, we believe the combination of our market position with global trends can support an annual growth rate of 20 to 30 percent. In Enterprise & Infrastructure and in High Velocity, we are more focused on servicing a select group of customers and our combined growth expectation for these areas range from 5 percent to 10 percent annually. Over the next few years, the growth differential should drive a portfolio more heavily weighted to Diversified Manufacturing Services and a structural increase in our earnings power. (See chart below)

Jabil has been steadily diversifying markets, customers and earnings power, thereby reducing risk and driving a much more resilient and sustainable business. In fiscal 2010 the profit derived from Jabil's top ten customers was approximately 42 percent of Jabil's total profit, compared to nearly 71 percent in fiscal 2006. During this same time period, we worked to enter new markets and to expand the services we offer. This fundamental shift results in a broader business with a better balance between Diversified Manufacturing Services, Enterprise & Infrastructure and High Velocity Systems business areas. As our growth engine shifts to Diversified Manufacturing Services, we expect to enjoy a more resilient and sustainable business model.

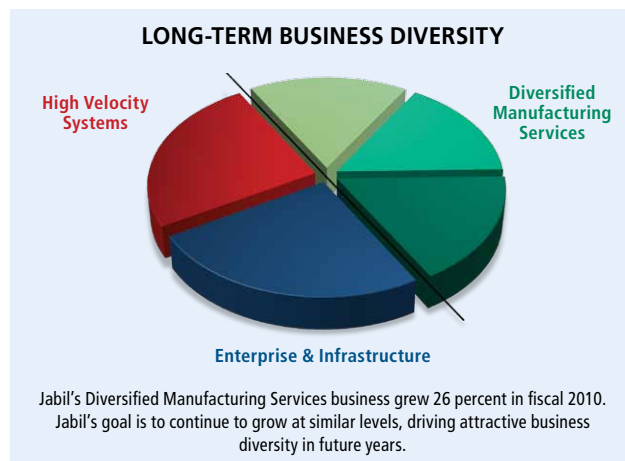
The rapidly rising cash flow generation of our business supports a lower risk profile for customers, suppliers and investors. During the month of October 2010, Jabil secured \$400 million in ten year notes on favorable terms. We believe our balance sheet metrics, cash flow and EBITDA levels provide a firm foundation for further growth and for favorable reviews from rating agencies and capital providers. We will continue to manage the business in what we believe is a fiscally conservative way so that all stakeholders in Jabil's success have complete confidence in our stability and longevity.

Operationally, we believe the company is executing like never before. This year, all of our factory managers were required to become Six Sigma, Black Belt certified. Lean manufacturing principles have been thoroughly adopted throughout the company, contributing significantly to our competitiveness in the marketplace. We have continuously improved our talent pool and are achieving levels of excellence in a more uniform and consistent way. Jabil's key factor to success is best-in-class operational performance and we work relentlessly toward that objective every day.

Jabil is a services business, reliant on the collective quality and commitment of its people. The company has continued to invest in human development infrastructure to attract, train, challenge, and retain the very best people. We are always heartened by the readiness with which our people embrace challenge and drive for the ultimate in performance and customer service. As Jabil has grown and gained scale, we remain mindful of retaining the values that make our company strong and yet willingly and proactively change in ways that make us better. To all stakeholders in Jabil, we thank you for your support and we commit to work tirelessly to create a better Jabil in the future.



William D. Morean
Chairman



FINANCIAL HIGHLIGHTS

Summary Statement of Operations For the Year Ended August 31, (in thousands, except per share data)		2000	2001	2002
Net Revenue		\$ 3,558,321	\$ 4,324,655	\$ 3,545,466
Operating Income (Loss) (GAAP)		\$ 209,163	\$ 155,308	\$ 53,407
Amortization of intangibles		2,724	5,820	15,113
Acquisition-related charges		5,153	6,558	7,576
Distressed customer charges		—	—	—
Restructuring and impairment charges		—	27,366	52,143
Goodwill impairment charges		—	—	—
Loss on disposal of subsidiaries		—	—	—
Stock-based compensation and related charges		3,753	2,454	643
Core Operating Income (Non-GAAP)		\$ 220,793	\$ 197,506	\$ 128,882
Operating Income (Loss) (GAAP) year over year % change		55.3%	-25.7%	-65.6%
Core operating income (Non-GAAP) year over year % change		49.5%	-10.5%	-34.7%
Net Income (Loss) (GAAP)		\$ 143,297	\$ 112,332	\$ 38,731
Amortization of intangibles, net of tax		1,866	4,284	12,593
Deferred tax valuation allowance, net of tax		—	—	—
Distressed customer charge		—	—	—
Acquisition-related charges, net of tax		4,653	4,163	4,748
Restructuring and impairment charges, net of tax		—	21,588	40,167
Goodwill write-off, net of tax		—	—	—
Loss on disposal of subsidiaries, net of tax		—	—	—
Stock-based compensation and related charges, net of tax		2,351	2,195	(26)
Other expense (income), net of tax		—	—	—
Core Earnings (Non-GAAP)		\$ 152,167	\$ 144,562	\$ 96,213
Earnings (Loss) Per Share: (GAAP)***				
Basic		\$ 0.80	\$ 0.59	\$ 0.20
Basic earnings (Loss) per share year over year % change		58.8%	-26.9%	-66.5%
Diluted		\$ 0.76	\$ 0.56	\$ 0.19
Diluted earnings (Loss) per share year over year % change		58.5%	-27.3%	-65.2%
Core Earnings Per Share: (Non-GAAP)***				
Basic		\$ 0.85	\$ 0.75	\$ 0.49
Basic earnings per share year over year % change		48.5%	-11.4%	-35.3%
Diluted		\$ 0.81	\$ 0.71	\$ 0.48
Diluted earnings per share year over year % change		48.3%	-11.9%	-32.9%
Common Shares Used in the Calculation of Earnings (Loss) Per Share: (GAAP)***				
Basic		179,032	191,862	197,396
Diluted		187,448	202,223	200,535
Common Shares Used in the Calculation of Earnings Per Share: (Non-GAAP)***				
Basic		179,032	191,862	197,396
Diluted		187,448	202,223	200,535
Summary Balance Sheet Data (in thousands)				
Total Assets		\$ 2,015,915	\$ 2,357,578	\$ 2,547,906
Capitalization*		\$ 1,305,353	\$ 1,782,132	\$ 1,873,010
Stockholders' Equity		\$ 1,272,020	\$ 1,412,132	\$ 1,509,650
Key Ratios				
GAAP Return on Invested Capital		19.6%	9.7%	3.4%
Core Return on Invested Capital ****		20.8%	12.5%	7.9%
GAAP Return on Equity		15.5%	8.4%	2.7%
Core Return on Equity**		16.4%	10.8%	6.6%
Inventory Turns		9.2	8.7	7.7
Sales Cycle		28.9	40.8	50.4

* Capitalization is calculated as stockholders' equity plus total debt.

** The calculation of core return on equity is based on core earnings as reconciled above.

2003	2004	2005	2006	2007	2008	2009	2010
\$ 4,729,482	\$ 6,252,897	\$ 7,524,386	\$ 10,265,447	\$ 12,290,592	\$ 12,779,703	\$ 11,684,538	\$ 13,409,411
\$ 28,303	\$ 221,771	\$ 251,967	\$ 241,807	\$ 181,939	\$ 251,397	\$ (910,201)	\$ 327,566
36,870	43,709	39,762	24,323	29,347	37,288	31,039	25,934
15,266	1,339	—	—	—	—	—	—
—	—	—	—	—	—	7,256	—
85,308	—	—	81,585	72,396	54,808	51,894	8,217
—	—	—	—	—	—	1,022,821	—
—	—	—	—	—	—	—	24,604
16,150	(5,756)	35,403	43,848	47,874	36,404	44,026	104,609
\$ 181,897	\$ 261,063	\$ 327,132	\$ 391,563	\$ 331,556	\$ 379,897	\$ 246,835	\$ 490,930
-47.0%	683.6%	13.6%	-4.0%	-24.8%	38.2%	-462.1%	136.0%
41.1%	43.5%	25.3%	19.7%	-15.3%	14.6%	-35.0%	98.9%
\$ 28,570	\$ 173,730	\$ 203,875	\$ 164,518	\$ 73,236	\$ 133,892	\$ (1,165,212)	\$ 168,840
30,848	37,239	33,698	20,281	25,500	26,990	30,916	25,887
—	—	—	37,103	—	—	121,929	—
—	—	—	—	—	—	6,329	—
9,827	987	—	—	—	—	—	—
60,688	—	—	70,062	59,258	39,573	63,490	8,314
—	—	—	—	—	—	1,018,157	—
—	—	—	—	—	—	—	24,604
14,437	(6,830)	27,973	32,390	38,212	30,591	43,088	102,719
(1,622)	3,975	—	—	—	—	13,317	—
\$ 142,748	\$ 209,101	\$ 265,546	\$ 324,354	\$ 196,206	\$ 231,046	\$ 132,014	\$ 330,364
\$ 0.14	\$ 0.87	\$ 1.01	\$ 0.79	\$ 0.35	\$ 0.64	\$ -5.63	\$ 0.79
-26.6%	502.2%	16.2%	-21.2%	-55.7%	82.9%	-979.7%	114.0%
\$ 0.14	\$ 0.85	\$ 0.98	\$ 0.77	\$ 0.35	\$ 0.64	\$ -5.63	\$ 0.78
-26.7%	496.6%	16.1%	-21.1%	-54.5%	82.9%	-979.7%	113.9%
\$ 0.72	\$ 1.04	\$ 1.31	\$ 1.55	\$ 0.95	\$ 1.10	\$ 0.62	\$ 1.54
47.5%	45.1%	25.7%	18.2%	-38.4%	15.8%	-43.6%	148.4%
\$ 0.71	\$ 1.02	\$ 1.28	\$ 1.52	\$ 0.94	\$ 1.10	\$ 0.62	\$ 1.52
47.5%	43.7%	25.7%	18.9%	-37.9%	17.0%	-43.6%	145.2%
198,495	200,430	202,501	208,737	206,724	209,805	207,002	214,332
201,671	205,559	207,706	213,663	209,801	210,425	207,002	217,597
198,495	200,430	202,501	208,737	206,724	209,805	213,426	214,332
201,671	205,559	207,706	213,663	208,777	210,425	213,498	217,597
\$ 3,244,745	\$ 3,334,039	\$ 4,087,986	\$ 5,411,730	\$ 6,295,232	\$ 7,032,137	\$ 5,317,858	\$ 6,367,747
\$ 2,236,924	\$ 2,133,629	\$ 2,473,195	\$ 2,687,814	\$ 3,705,204	\$ 4,085,135	\$ 2,669,610	\$ 2,764,542
\$ 1,592,669	\$ 1,824,023	\$ 2,145,941	\$ 2,294,481	\$ 2,443,011	\$ 2,715,725	\$ 1,435,162	\$ 1,578,046
2.3%	12.6%	13.6%	10.2%	6.5%	7.1%	-41.9%	13.1%
11.1%	14.5%	17.2%	18.5%	10.9%	9.9%	8.2%	21.4%
1.8%	10.2%	10.3%	7.4%	3.1%	5.2%	-56.1%	11.2%
9.2%	12.2%	13.4%	14.6%	8.3%	9.0%	6.4%	21.9%
9.5	9.8	9.3	8.4	8.1	8.2	8.0	7.5
36.4	29.4	20.8	14.9	16.8	20.2	19.4	16.3

*** Reflects 2-for-1 stock splits in 7/97, 2/99 and 3/00.

**** The calculation of core return on invested capital is based on core earnings as reconciled above.

BOARD OF DIRECTORS

William D. Morean

Chairman
Jabil Circuit, Inc.
Director since 1978
Age 55

Thomas A. Sansone

Vice Chairman
Jabil Circuit, Inc.
Director since 1983
Age 61

Timothy L. Main

President and Chief Executive Officer
Jabil Circuit, Inc.
Director since 1999
Age 53

Mel S. Lavitt

Senior Advisor
Needham & Company, LLC
Director since 1991
Age 73

Steven A. Raymund

Chairman of the Board
Tech Data Corporation
Director since 1996
Age 55

Lawrence J. Murphy

Private Business Consultant
Global Business Unit
Director since 1989
Age 68

Frank A. Newman

Chairman and Chief Executive Officer
Medical Nutrition USA, Inc.
Director since 1998
Age 62

David Stout

Director of Airgas Inc.,
NanoBio Corp., Allos Therapeutics, Shire PLC
Director since 2009
Age 56

Kathleen A. Walters

Executive Vice President
Global Consumer Products
Georgia-Pacific LLC
Director since 2005
Age 59

Jabil's Board of Directors has standing Audit, Compensation and Nominating and Corporate Governance Committees.

Audit: **Raymund** (Chair), **Murphy**, **Newman**

Compensation: **Walters** (Chair), **Lavitt**, **Stout**

Nominating & Corporate Governance: **Sansone** (Chair), **Lavitt**, **Stout**

Jabil's Corporate Governance Guidelines, Code of Ethics and the charters of these committees can be found on Jabil's website: www.jabil.com.

COMPANY OFFICERS

Timothy L. Main

President and
Chief Executive Officer

Mark T. Mondello

Chief Operating Officer

Forbes I.J. Alexander

Chief Financial Officer

Hartmut Liebel

Executive Vice President,
Chief Executive Officer,
Aftermarket Services Group

John P. Lovato

Executive Vice President,
Chief Executive Officer,
Materials Technology Group

Joseph A. McGee

Executive Vice President,
Strategic Planning
and Development

William D. Muir, Jr.

Executive Vice President,
Chief Executive Officer,
Manufacturing Services Group

William E. Peters

Executive Vice President,
Human Development,
Human Resources

Hai Hwai Chiang

Senior Vice President

Meheryar K. Dastoor

Senior Vice President
Controller

Maurice Dunlop

Senior Vice President
Global Business Units

Erich Hoch

Senior Vice President
Chief Supply Chain Officer

Michael J. Matthes

Senior Vice President
Worldwide Operations

Donald J. Myers

Senior Vice President
Corporate Development

Alessandro Parimbelli

Senior Vice President
Global Business Units

Frederick Rollinson, III

Senior Vice President
Worldwide Operations

Courtney J. Ryan

Senior Vice President
Global Business Units

Beth A. Walters

Senior Vice President
Communications
and Investor Relations

Teck Ping Yuen

Senior Vice President
Human Resources - Asia

Sergio A. Cadavid

Treasurer

Robert L. Paver

General Counsel and
Corporate Secretary

Susan Allan

Senior Legal Counsel and
Assistant Corporate Secretary

Joseph J. Adams

Vice President
Global Business Unit

Brian D. Althaver

Vice President
Strategic Development

Linda L. Beaman

Vice President
Information Technology
Service Operations

Otto J. Bik

Vice President
Finance

Thomas R. Blythe

Vice President
Tax

Steven D. Borges

Vice President
Global Business Units

Samantha A. Brem

Vice President
Global Legal Affairs

John D. Caltabiano

Vice President
Global Mechanicals and Enclosures

David D. Couch

Chief Information Officer

Gerald Creadon, Jr.

Vice President
Operations - Americas

Ronald Darroch

Vice President
Operations - Europe

David S. Emerson

Vice President
Worldwide Sector Sales

Frederick A. Hartung

Vice President
Logistics

Robert F. Hawthorne

Vice President
Information Technology
Business Systems

Steven A. Hodge

Vice President
Finance

Ming-Yen Lee

Vice President

Ralph T. Leimann

Vice President
Technical Services

Michael J. Loparco

Vice President
Global Business Units

James C. Luginbill

Vice President
Strategic Growth

Jeffrey J. Lumetta

Vice President
Engineering Design

Bryan Maguire

Chief Client Officer

Marco A. Mayor

Vice President
Engineering

Kevin C. Mazula

Vice President
Global Business Unit

Joseph S. McBeth

Vice President
Global Supply Chain

T.S. Annie Lee Mui

Vice President
Global Sourcing

R. Alan Myers

Vice President
Global Business Unit - Medical

Carey A. Paulus

Vice President
Global Business Unit

Scott H. Sickels

Vice President
Global Supply Chain Officer

Daryn G. Smith

Vice President
Global Financial Planning
and Analysis

Vait Leong Tam

Vice President
Operations - Asia

Timothy W. Traud

Vice President
Financial Reporting

David T. Wahl

Vice President
Global Business Units

P. Andrew Williams

Vice President
Global Business Unit

SHAREHOLDER INFORMATION

Annual Meeting

January 20, 2011 10:00 AM ET
The Renaissance Vinoy Golf Club
Sunset Ballroom
600 Snell Isle Boulevard
St. Petersburg, Florida

The proxy statement for our Annual Meeting of Stockholders contains a description of certain procedures that must be followed to nominate persons for election as directors or to introduce an item of business at that meeting, as well as certain Securities and Exchange Commission requirements regarding the date by which we must receive shareholder proposals for inclusion in our proxy materials.

NYSE Certification

As required by the NYSE corporate governance listing standards, Jabil's Chief Executive Officer submitted his annual certification to the NYSE certifying that he was not aware of any violation by Jabil of the NYSE corporate governance listing standards. Jabil has included as exhibits to its Annual Report on Form 10-K for its fiscal year ended August 31, 2010 certifications of its Chief Executive Officer and Chief Financial Officer certifying to the quality of Jabil's public disclosure.

Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors selected KPMG LLP to audit the consolidated financial statements and the effectiveness of internal control over financial reporting of Jabil for the fiscal year ended August 31, 2010. KPMG LLP audited Jabil's consolidated financial statements since the fiscal year ended August 31, 1984. In July 2010, following a competitive process, the Audit Committee selected Ernst & Young LLP as Jabil's independent registered public accounting firm for the fiscal year ending August 31, 2011. Representatives of KPMG LLP and Ernst & Young LLP are expected to be present at the Annual Meeting and available to respond to appropriate questions.

Transfer Agent and Registrar

The transfer agent maintains shareholder records for Jabil Circuit, Inc. Please contact the agent directly for change of address, transfer of stock and replacement of lost certificates.

Computershare
P.O. Box 43078
Providence, Rhode Island 02940-3078
Phone: 877.498.8865 or 781.575.2879
Website: www.computershare.com/investor

Investor Inquiries & Information

Investor relations inquiries should be directed to:
Investor Relations

Jabil Circuit, Inc.
10560 Dr. Martin Luther King Jr. Street North
St. Petersburg, Florida 33716
Phone: 727.803.3349
E-mail: investor_relations@jabil.com
Website: www.jabil.com

Our Annual Report on Form 10-K for our fiscal year ended August 31, 2010 that has been filed with the Securities and Exchange Commission is included as a part of this Annual Report.

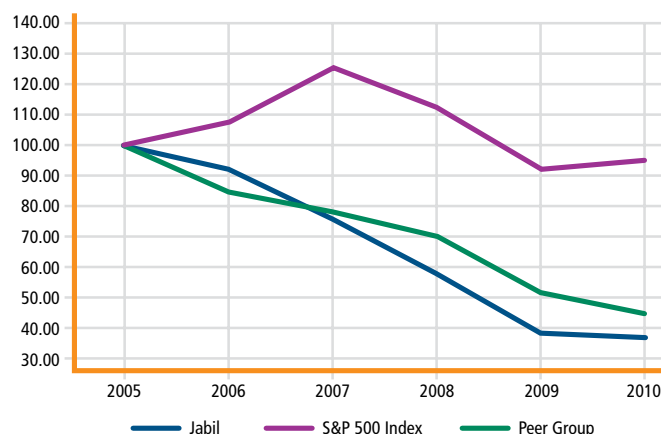
An online version of the 2010 Annual Report is available at
<http://www.jabil.com/2010annualreport>

ANNUAL PERFORMANCE COMPARISON

The Performance Graph and table show a comparison of cumulative total stockholder return, assuming the reinvestment of dividends, from a \$100 investment in the common stock of Jabil over the five-year period ending August 31, 2010, with the cumulative stockholder return on the (1) S&P 500 Stock Index (the "S&P 500 Index") and (2) a peer group that includes Benchmark Electronics Inc., Celestica Inc., Flextronics International Ltd., Plexus Corp. and Sanmina-SCI Corporation.

	8/31/2005	8/31/2006	8/31/2007	8/31/2008	8/31/2009	8/31/2010
Jabil	100	91	76	58	39	38
S&P 500 Index	100	108	125	111	91	95
Peer Group	100	88	79	70	52	44

Comparison of 5 Year Cumulative Total Return
Assumes Initial Investment of \$100
August 31, 2010



The information contained in the performance graph and table should not be deemed "soliciting material" or "filed" with the SEC, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically incorporate it by reference into such filings.



10560 Dr. Martin Luther King Jr. Street North
St. Petersburg, FL 33716 USA

www.jabil.com



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