

**Jabil Circuit (JBL)**

Price:	\$16.75
Market Cap:	\$3,458,037,500
Cash:	\$1,011,370,000
Debt:	\$1,905,540,000
Net Cash:	-\$894,170,000
Enterprise Value:	\$4,352,207,500
Shares Outstanding:	206,450,000

Net Tang. Bk Value Incl. Cash, Excl.	\$1,895,490,000.00
Goodwill (NTBVIC):	
NTBVIC/Market Downside Recovery:	54.81%
Op. Cash Flow:	\$658,403,160
Implied Years to Fill Gap:	2.37
Today's Equity if 5x Op. CF:	\$3,870,699,480

Net Tang. Book Yr. 5 (Inc. Cash):	\$3,096,905,800.00
Avg. Year Op. Cash:	\$658,403,160.00
Year 5 Disposition FCF Multiple:	3.0
Year 5 Disposition Price:	\$5,072,115,280.00
Net Tang. Book+ Gain Disposition:	\$5,072,115,280.00
IRR:	7.96%

Price:	\$24.57
Target Market Cap:	\$5,072,115,280
Target Enterprise Value:	\$5,966,285,280

\* Our future intrinsic value measures the total return, which includes both capital appreciation and dividend income.

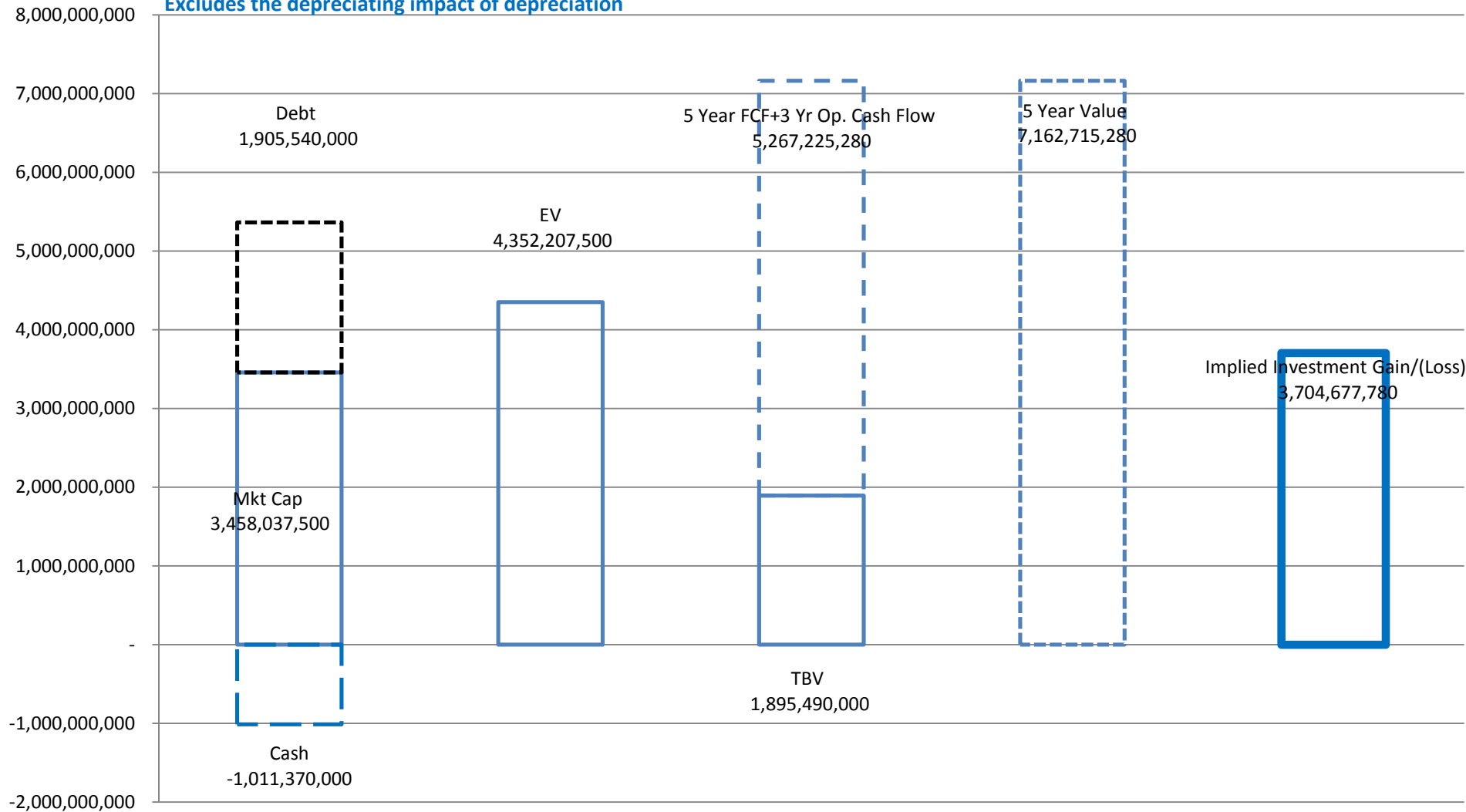
I like the PCB business. Have you ever tried soldering the resistors, capacitors, etc. onto a bread board? Let alone, mass producing millions of these units at economic prices? All this to say, this business is here to stay.

The company owns many factories aka real estate. \$1 BB in cash to partially offset \$2BB in debt. Generates \$600MM in operating cashflow, from which \$500MM is reinvested into capex, and the remaining going to repurchase shares, or paying out dividends.

Revenue is \$16BB, and it is growing at 3-4%.

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Excludes the depreciating impact of depreciation





SN VALUATION

LBO Pro Forma Income Statement

Name:

Jabil Circuit

Ticker:

JBL

	Historical				Forecasted				
	12 months ending 2010-08-31	12 months ending 2011-08-31	12 months ending 2012-08-31	12 months ending 2013-08-31	2013	2014	2015	2016	2017
Revenue	13,409.41	16,518.83	17,151.94	18,336.89	18,336.89	18,336.89	18,336.89	18,336.89	18,336.89
COGS	12,405.27	15,264.26	15,842.90	16,977.03	17,053.31	17,053.31	17,053.31	17,053.31	17,053.31
Gross margin	1,004.14	1,254.57	1,309.04	1,359.86	1,283.58	1,283.58	1,283.58	1,283.58	1,283.58
SG&A	589.74	590.57	644.45	689.01	733.48	733.48	733.48	733.48	733.48
R&D	28.09	25.03	25.84	28.47	0.00	0.00	0.00	0.00	0.00
Unusual expense	32.82	38.18	0.00	115.05	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	353.49	600.79	638.75	527.33	550.11	550.11	550.11	550.11	550.11
Interest income/(expense)	-76.21	-94.55	-104.09	-119.17	-180.44	-180.44	-180.44	-180.44	-180.44
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	-4.09	-2.99	-8.94	-6.21	0.00	0.00	0.00	0.00	0.00
Income before tax	247.27	461.19	508.90	366.06	369.67	369.67	369.67	369.67	369.67
Tax	76.50	98.23	112.81	15.97	129.38	129.38	129.38	129.38	129.38
Income after tax	170.77	382.96	396.09	370.09	240.28	240.28	240.28	240.28	240.28
Minority Interest	-1.93	-1.90	-1.40	1.39	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	168.84	381.06	394.69	371.48	240.28	240.28	240.28	240.28	240.28
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.82	\$1.85	\$1.91	\$1.80	\$1.16	\$1.16	\$1.16	\$1.16	\$1.16
P/E (historical today's price; forecasted intrinsic price)	20.48	9.07	8.76	9.31	15.54	16.77	18.11	19.55	21.11
Revenue Growth	N/A	23.19%	3.83%	6.91%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	30.94%	20.41%	22.17%	4.14%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-6.42%	-7.97%	-6.21%	-6.25%	-10.68%	-10.68%	-10.68%	-10.68%	-10.68%
Margins									
COGS	92.51%	92.41%	92.37%	92.56%	93.00%	93.00%	93.00%	93.00%	93.00%
Gross margin	7.49%	7.59%	7.63%	7.42%	7.00%	7.00%	7.00%	7.00%	7.00%
SG&A	4.40%	3.58%	3.76%	3.76%	4.00%	4.00%	4.00%	4.00%	4.00%
R&D	0.21%	0.15%	0.15%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.24%	0.23%	0.00%	0.63%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Excluded from COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	2.64%	3.64%	3.72%	2.88%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest income/(expense)	-0.57%	-0.57%	-0.61%	-0.65%	-0.98%	-0.98%	-0.98%	-0.98%	-0.98%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	-0.03%	-0.02%	-0.05%	-0.03%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	1.84%	2.91%	2.97%	2.11%	2.02%	2.02%	2.02%	2.02%	2.02%
Tax	0.57%	0.66%	0.66%	0.09%	0.71%	0.71%	0.71%	0.71%	0.71%
Income after tax	1.27%	2.32%	2.31%	2.02%	1.31%	1.31%	1.31%	1.31%	1.31%
Minority Interest	-0.01%	-0.01%	-0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	1.26%	2.31%	2.30%	2.03%	1.31%	1.31%	1.31%	1.31%	1.31%

	As of 2010-08-31	As of 2011-08-31	As of 2012-08-31	As of 2013-08-31	Adjustment		Adjusted Proforma	2014	2015	2016	2017	2018
					+	-						
Cash	744.33	888.61	1,217.26	1,011.37	1,011.37		1,011.37	1,169.77	1,328.18	1,486.58	1,644.98	1,803.39
Short term investment	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash and Short term</b>	<b>744.33</b>	<b>888.61</b>	<b>1,217.26</b>	<b>1,011.37</b>	<b>1,011.37</b>		<b>1,011.37</b>	<b>1,169.77</b>	<b>1,328.18</b>	<b>1,486.58</b>	<b>1,644.98</b>	<b>1,803.39</b>
Accounts Receivable	1,408.32	1,100.93	1,125.02	1,281.42	1,280.00		1,280.00	1,280.00	1,280.00	1,280.00	1,280.00	1,280.00
Other receivables	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Receivables</b>	<b>1,408.32</b>	<b>1,100.93</b>	<b>1,125.02</b>	<b>1,281.42</b>	<b>1,280.00</b>		<b>1,280.00</b>	<b>1,280.00</b>	<b>1,280.00</b>	<b>1,280.00</b>	<b>1,280.00</b>	<b>1,280.00</b>
Total Inventory	2,094.14	2,227.34	2,268.95	2,302.16	2,302.16		2,302.16	2,302.16	2,302.16	2,302.16	2,302.16	2,302.16
Prepaid Expenses	343.68	868.89	989.33	1,154.48	1,154.48		1,154.48	1,154.48	1,154.48	1,154.48	1,154.48	1,154.48
Other Current Assets	27.99	15.74	27.83	57.76	57.76		57.76	57.76	57.76	57.76	57.76	57.76
<b>Current Assets</b>	<b>4,618.46</b>	<b>5,101.51</b>	<b>5,628.39</b>	<b>5,807.19</b>	<b>5,805.77</b>	<b>0.00</b>	<b>5,805.77</b>	<b>5,964.17</b>	<b>6,122.58</b>	<b>6,280.98</b>	<b>6,439.38</b>	<b>6,597.79</b>
PP&E, Gross	2,618.20	3,004.82	3,357.42	4,206.33	4,206.00		4,206.00	4,706.00	5,206.00	5,706.00	6,206.00	6,706.00
Change in Depreciation	283.28	319.18	353.49	418.12	418.12		418.12	418.12	418.12	418.12	418.12	418.12
Accumulated Depreciation	1,166.81	1,363.48	1,578.27	1,810.74	1,810.00		1,810.00	2,228.12	2,646.24	3,064.36	3,482.48	3,900.60
<b>PP&amp;E, Net</b>	<b>1,451.39</b>	<b>1,641.34</b>	<b>1,779.15</b>	<b>2,395.59</b>	<b>2,396.00</b>		<b>2,396.00</b>	<b>2,477.88</b>	<b>2,559.76</b>	<b>2,641.64</b>	<b>2,723.52</b>	<b>2,805.40</b>
Goodwill	28.45	36.20	95.02	436.20	440.00	0.00	440.00	440.00	440.00	440.00	440.00	440.00
Intangibles	104.11	89.11	119.05	304.23	305.00		305.00	305.00	305.00	305.00	305.00	305.00
Long term investments	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	129.77	175.51	170.59	197.50	197.50		197.50	197.50	197.50	197.50	197.50	197.50
<b>Long Term Assets</b>	<b>1,713.72</b>	<b>1,942.16</b>	<b>2,163.81</b>	<b>3,333.52</b>	<b>3,338.50</b>		<b>3,338.50</b>	<b>3,420.38</b>	<b>3,502.26</b>	<b>3,584.14</b>	<b>3,666.02</b>	<b>3,747.90</b>
<b>Total Assets</b>	<b>6,332.18</b>	<b>7,043.67</b>	<b>7,792.20</b>	<b>9,140.71</b>	<b>9,144.27</b>	<b>0.00</b>	<b>9,144.27</b>	<b>9,384.55</b>	<b>9,624.84</b>	<b>9,865.12</b>	<b>10,105.40</b>	<b>10,345.69</b>
Accounts Payable	2,741.72	2,885.17	2,992.86	3,301.24	3,302.00		3,302.00	3,302.00	3,302.00	3,302.00	3,302.00	3,302.00
Accrued Expense	667.94	892.39	808.48	1,291.57	1,290.00		1,290.00	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
Other current Liabilities	27.95	38.17	39.62	56.09	56.09		56.09	56.09	56.09	56.09	56.09	56.09
<b>Total Current Liabilities</b>	<b>3,437.61</b>	<b>3,815.73</b>	<b>3,840.96</b>	<b>4,648.90</b>	<b>4,648.09</b>	<b>0.00</b>	<b>4,648.09</b>	<b>4,648.09</b>	<b>4,648.09</b>	<b>4,648.09</b>	<b>4,648.09</b>	<b>4,648.09</b>
Notes Payables/Short Term Debt	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	167.57	74.16	18.03	215.54	215.54		215.54	215.54	215.54	215.54	215.54	215.54
Long term Debt	1,018.93	1,112.59	1,658.33	1,690.43	1,690.00	0.00	1,690.00	1,690.00	1,690.00	1,690.00	1,690.00	1,690.00
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Interest Earning Debt</b>	<b>1,186.50</b>	<b>1,186.75</b>	<b>1,676.36</b>	<b>1,905.97</b>	<b>1,905.54</b>	<b>0.00</b>	<b>1,905.54</b>	<b>1,905.54</b>	<b>1,905.54</b>	<b>1,905.54</b>	<b>1,905.54</b>	<b>1,905.54</b>
Deferred Income tax	1.46	15.76	24.25	73.17	73.17		73.17	73.17	73.17	73.17	73.17	73.17
Minority Interest	14.73	16.70	2.28	20.28	20.28		20.28	20.28	20.28	20.28	20.28	20.28
Other liabilities	149.41	155.87	154.24	170.18	171.41		171.41	171.41	171.41	171.41	171.41	171.41
<b>Total Liabilities</b>	<b>4,789.71</b>	<b>5,190.81</b>	<b>5,698.09</b>	<b>6,818.50</b>	<b>6,818.49</b>	<b>0.00</b>	<b>6,818.49</b>	<b>6,818.49</b>	<b>6,818.49</b>	<b>6,818.49</b>	<b>6,818.49</b>	<b>6,818.49</b>
Redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.22	0.23	0.23	0.24	0.24	0.00	0.24	0.24	0.24	0.24	0.24	0.24
Additional Paid-in capital	1,541.51	1,649.43	1,752.85	1,853.41	1,853.00	0.00	1,853.00	1,853.00	1,853.00	1,853.00	1,853.00	1,853.00
Dividends Paid	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	123.30	441.79	766.93	1,071.17	1,071.00		1,071.00	1,311.28	1,551.57	1,791.85	2,032.13	2,272.42
Treasury Stock	-209.05	-419.04	-521.23	-670.78	-670.00	0.00	-670.00	-670.00	-670.00	-670.00	-670.00	-670.00
Other Equity	122.06	194.71	106.28	81.25	81.25		81.25	81.25	81.25	81.25	81.25	81.25
<b>Total Equity</b>	<b>1,578.04</b>	<b>1,867.12</b>	<b>2,105.06</b>	<b>2,335.29</b>	<b>2,335.49</b>	<b>0.00</b>	<b>2,335.49</b>	<b>2,575.77</b>	<b>2,816.06</b>	<b>3,056.34</b>	<b>3,296.62</b>	<b>3,536.91</b>
<b>Liability + Equity</b>	<b>6,367.75</b>	<b>7,057.93</b>	<b>7,803.15</b>	<b>9,153.79</b>	<b>9,153.98</b>	<b>0.00</b>	<b>9,153.98</b>	<b>9,394.26</b>	<b>9,634.55</b>	<b>9,874.83</b>	<b>10,115.11</b>	<b>10,355.40</b>
<b>Variance</b>	<b>-35.57</b>	<b>-14.26</b>	<b>-10.95</b>	<b>-13.08</b>	<b>-9.71</b>		<b>-9.71</b>	<b>-9.71</b>	<b>-9.71</b>	<b>-9.71</b>	<b>-9.71</b>	<b>-9.71</b>
<b>Debt/Equity</b>	<b>0.75</b>	<b>0.64</b>	<b>0.80</b>	<b>0.82</b>	<b>0.82</b>		<b>0.82</b>	<b>0.74</b>	<b>0.68</b>	<b>0.62</b>	<b>0.58</b>	<b>0.54</b>
Inventory Turnover	6.40	7.42	7.56	7.97	7.97		7.97	7.97	7.97	7.97	7.97	7.97
Inventory Turnover Days	57.00	49.22	48.28	45.83	45.83		45.83	45.83	45.83	45.83	45.83	45.83
Days Inventory Outstanding	61.62	53.26	52.27	49.50	49.27		49.50	49.27	49.27	49.27	49.27	49.27
Accounts Receivable Turnover	9.52	15.00	15.25	14.31	14.33		14.33	14.33	14.33	14.33	14.33	14.33
Accounts Receivable Turnover Days	38.33	24.33	23.94	25.51	25.48		25.48	25.48	25.48	25.48	25.48	25.48
Days Payable Outstanding	80.67	68.99	68.95	70.98	70.67		70.99	70.67	70.67	70.67	70.67	70.67
Days Sales Outstanding	38.33	24.33	23.94	25.51	25.48		25.51	25.48	25.48	25.48	25.48	25.48
Cash Conversion Cycle	19.28	8.60	7.26	4.03	4.08		4.01	4.08	4.08	4.08	4.08	4.08
Net tangible assets/share	\$7.00	\$8.44	\$9.16	\$7.73	\$7.70		\$8.87	\$10.03	\$11.20	\$12.36	\$13.52	\$14.68

SN VALUATION

LBO Adjusted Proforma Cash Flow

Ticker:

JBL

	12 months ending 2010-08-31	12 months ending 2011-08-31	12 months ending 2012-08-31	12 months ending 2013-08-31	2014	2015	2016	2017	2018
Net Income	170.77	382.96	396.09	370.09	240.28	240.28	240.28	240.28	240.28
Depreciation	283.28	319.18	353.49	418.12	418.12	418.12	418.12	418.12	418.12
<b>Net Income + Depreciation</b>	<b>454.05</b>	<b>702.14</b>	<b>749.58</b>	<b>788.21</b>	<b>658.40</b>	<b>658.40</b>	<b>658.40</b>	<b>658.40</b>	<b>658.40</b>
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	2.33	2.27	0.00	-123.17	0.00	0.00	0.00	0.00	0.00
Non Cash Items	140.99	123.39	96.88	91.99	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-169.96	0.22	-212.24	456.86	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	307.39	-24.09	-156.40	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	-133.20	-41.61	-33.21	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-525.21	-120.44	-165.15	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	143.45	107.69	308.38	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>427.41</b>	<b>828.02</b>	<b>634.22</b>	<b>1,213.89</b>	<b>658.40</b>	<b>658.40</b>	<b>658.40</b>	<b>658.40</b>	<b>658.40</b>
Capital Expenditures Expenditures	-398.43	-458.99	-497.70	-736.86	-500.00	-500.00	-500.00	-500.00	-500.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-41.83	32.71	-108.17	-637.60	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>-440.26</b>	<b>-426.28</b>	<b>-605.87</b>	<b>-1,374.46</b>	<b>-500.00</b>	<b>-500.00</b>	<b>-500.00</b>	<b>-500.00</b>	<b>-500.00</b>
Financing Cash flow items	0.13	-14.37	-26.20	-2.58	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-59.87	-60.41	-65.24	-67.18	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	5.83	-178.34	-76.19	-131.27	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	-46.37	-14.60	484.99	178.03	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>-100.28</b>	<b>-267.72</b>	<b>317.36</b>	<b>-23.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Foreign Exchange effect	-18.82	10.27	-17.07	-22.32	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	876.27	744.33	888.61	1,217.26	1,011.37	1,169.77	1,328.18	1,486.58	1,644.98
<b>Net Change in Cash</b>	<b>-131.94</b>	<b>144.28</b>	<b>328.64</b>	<b>-205.88</b>	<b>158.40</b>	<b>158.40</b>	<b>158.40</b>	<b>158.40</b>	<b>158.40</b>
Ending Cash Balance	744.33	888.61	1,217.25	1,011.38	1,169.77	1,328.18	1,486.58	1,644.98	1,803.39
Capex to Revenue	2.97%	2.78%	2.90%	4.02%	2.73%	2.73%	2.73%	2.73%	2.73%
Depreciation to Sales	2.11%	1.93%	2.06%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%
Amortization to Sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A/R to Sales	10.50%	6.66%	6.56%	6.99%	6.99%	6.99%	6.99%	6.99%	6.99%
Distributable FCF/EV Yield	-0.30%	9.23%	0.65%	-3.69%	3.64%	3.64%	3.64%	3.64%	3.64%
Dividend Yield	-1.73%	-1.75%	-1.89%	-1.94%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>FCF (Ops-Investing)</b>	<b>88.85</b>	<b>429.44</b>	<b>201.76</b>	<b>544.21</b>	<b>158.40</b>	<b>158.40</b>	<b>158.40</b>	<b>158.40</b>	<b>158.40</b>

# SN VALUATION

# LBO Debt Schedule

Ticker:

JBL

	Proforma	2013	2014	2015	2016	2017
<b>Net Change in Cash</b>	<b>-205.88</b>	<b>158.40</b>	<b>158.40</b>	<b>158.40</b>	<b>158.40</b>	<b>158.40</b>
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	<b>1,905.54</b>	<b>1,905.54</b>	<b>1,905.54</b>	<b>1,905.54</b>	<b>1,905.54</b>	<b>1,905.54</b>
Current Portion Debt Balance	215.54	215.54	215.54	215.54	215.54	215.54
Long Term Debt Balance	1,690.00	1,690.00	1,690.00	1,690.00	1,690.00	1,690.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		7.00%	7.00%	7.00%	7.00%	7.00%
<b>Interest Rate</b>		<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>
<b>Interest Expense</b>		<b>190.55</b>	<b>190.55</b>	<b>190.55</b>	<b>190.55</b>	<b>190.55</b>
Cash Balance		1,011.37				
Interest @ 1.0%		10.11	10.11	10.11	10.11	10.11
<b>Net Interest Expense/(Income)</b>		<b>180.44</b>	<b>180.44</b>	<b>180.44</b>	<b>180.44</b>	<b>180.44</b>
<b>Net Interest Rate</b>		<b>10.68%</b>	<b>10.68%</b>	<b>10.68%</b>	<b>10.68%</b>	<b>10.68%</b>
EBITDA		550.11	550.11	550.11	550.11	550.11
<b>EBITDA/Interest Expense Coverage</b>		<b>2.89</b>	<b>2.89</b>	<b>2.89</b>	<b>2.89</b>	<b>2.89</b>

Interest Rate Coverage Table

Debt Rating					
AAA					
AA					
A+					
A					
A-					
BBB					
BB+					
BB					
B+	B+	B+	B+	B+	B+
B					
B-					
CCC					
CC					
C					
D					

\*Source: NYU; Professor Damodaran

# Altman Z Score

Company Name:

Jabil Circuit

Ticker:

JBL

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	1,180.85	1,285.78	1,787.43	1,157.68	1,316.08	1,474.49	1,632.89	1,791.29	1,949.70
Total Assets	6,332.18	7,043.67	7,792.20	9,144.27	9,384.55	9,624.84	9,865.12	10,105.40	10,345.69
<b>X1</b>	<b>0.19</b>	<b>0.18</b>	<b>0.23</b>	<b>0.13</b>	<b>0.14</b>	<b>0.15</b>	<b>0.17</b>	<b>0.18</b>	<b>0.19</b>
Retained Earnings	123.30	441.79	766.93	1,071.00	1,311.28	1,551.57	1,791.85	2,032.13	2,272.42
Total Assets	6,332.18	7,043.67	7,792.20	9,144.27	9,384.55	9,624.84	9,865.12	10,105.40	10,345.69
<b>X2</b>	<b>0.02</b>	<b>0.06</b>	<b>0.10</b>	<b>0.12</b>	<b>0.14</b>	<b>0.16</b>	<b>0.18</b>	<b>0.20</b>	<b>0.22</b>
EBITDA	353.49	600.79	638.75	527.33	550.11	550.11	550.11	550.11	550.11
Total Assets	6,332.18	7,043.67	7,792.20	9,144.27	9,384.55	9,624.84	9,865.12	10,105.40	10,345.69
<b>X3</b>	<b>0.06</b>	<b>0.09</b>	<b>0.08</b>	<b>0.06</b>	<b>0.06</b>	<b>0.06</b>	<b>0.06</b>	<b>0.05</b>	<b>0.05</b>
Market Value of Equity	3,458.04	3,458.04	3,458.04	3,458.04	3,733.37	4,030.63	4,351.56	4,698.05	5,072.12
Total Liabilities	4,789.71	5,190.81	5,698.09	6,818.49	6,818.49	6,818.49	6,818.49	6,818.49	6,818.49
<b>X4</b>	<b>0.72</b>	<b>0.67</b>	<b>0.61</b>	<b>0.51</b>	<b>0.55</b>	<b>0.59</b>	<b>0.64</b>	<b>0.69</b>	<b>0.74</b>
Net Sales	13,409.41	16,518.83	17,151.94	18,336.89	18,336.89	18,336.89	18,336.89	18,336.89	18,336.89
Total Assets	6,332.18	7,043.67	7,792.20	9,144.27	9,384.55	9,624.84	9,865.12	10,105.40	10,345.69
<b>X5</b>	<b>2.12</b>	<b>2.35</b>	<b>2.20</b>	<b>2.01</b>	<b>1.95</b>	<b>1.91</b>	<b>1.86</b>	<b>1.81</b>	<b>1.77</b>
<b>Altman Z Score</b>	<b>2.99</b>	<b>3.33</b>	<b>3.25</b>	<b>2.82</b>	<b>2.84</b>	<b>2.86</b>	<b>2.88</b>	<b>2.90</b>	<b>2.93</b>

$$Z = 1.2 \times X1 + 1.4 \times X2 + 3.3 \times X3 + 0.6 \times X4 + 1.0 \times X5$$

Z-SCORE ABOVE 3.0 –The company is considered 'Safe' based on the financial figures only.

Blue

Z-SCORE BETWEEN 2.7 and 2.99 – 'On Alert'. This zone is an area where one should 'Exercise Caution'.

Green

Z-SCORE BETWEEN 1.8 and 2.7 – Good chance of the company going bankrupt within 2 years.

Yellow

Z-SCORE BELOW 1.80- Probability of Financial Catastrophe is Very High.

Red



Year	Present Value	Holding Period					Terminal Value			Sale Price
	0	1	2	3	4	5	6	7	8	TBV at Year 5 + 3 Years FCF
<b>Tangible Book Value</b>	1,895.49	2,135.77	2,376.06	2,616.34	2,856.62	3,096.91				3,096.91
Annual Change		240.28	240.28	240.28	240.28	240.28				
<b>Annual FCF</b>	477.03	158.40	158.40	158.40	158.40	158.40	158.40	158.40	158.40	475.21
Annual Op. Cash Flow	1,213.89	658.40	658.40	658.40	658.40	658.40	658.40	658.40	658.40	
Annual PP&E Investment	(736.86)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	
<b>Today's Tangible Book Value</b>	1,895.49	2,091.04	2,306.77	2,544.75	2,807.29	3,096.91				3,572.12
Intrinsic Value IRR	10.32%									
<b>Market Price</b>	3,458.04	3,480.56	3,503.22	3,526.04	3,549.00	3,572.12				3,572.12
Market Price IRR	0.65%									

Debt	50.00%	1,729.02
Equity	50.00%	1,729.02
<b>Total</b>	<b>100.00%</b>	<b>3,458.04</b>

	Present Value	Holding Period					Terminal Value			Sale Price
	Historic	ProForma	1	2	3	4	5			
Book Equity	2335.49	1,729.02	1,864.35	1,999.69	2,135.02	2,270.35	2,405.68			
Goodwill	440	1,562.55	1,562.55	1,562.55	1,562.55	1,562.55	1,562.55			
Debt	1690	3,419.02	3,419.02	3,419.02	3,419.02	3,419.02	3,419.02			3,419.02
Debt Interest Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%			
Additional Interest Expense		161.46	161.46	161.46	161.46	161.46	161.46			
<b>Tangible Book Value</b>	1895.49	166.47	301.80	437.14	572.47	707.80	843.14			843.14
Annual Change			135.33	135.33	135.33	135.33	135.33			
<b>Annual FCF</b>	477.03		53.45	53.45	53.45	53.45	53.45	53.45	53.45	160.36
Annual Net Income	371.48		135.33	135.33	135.33	135.33	135.33	135.33	135.33	
<b>Annual Op. Cash Flow</b>	1,213.89		553.45	553.45	553.45	553.45	553.45	553.45	553.45	
Dividend Payments										
Annual PP&E Investment	(736.86)		(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	
Debt Paydown	0.00							0.00	0.00	0.00
<b>Sale Price in Year 5</b>										1,003.50
<b>Capital Left for Equity Investor</b>										1,003.50
Dividend Payments										0.00
<b>Total Cash In Flow</b>										1,003.50
<b>Invested Equity</b>	1,729.02	1,550.75	1,390.87	1,247.47	1,118.85	1,003.50				
IRR	-10.31%									

We assume the debt taken on by the investor is now on the Co's books, so the investor has no more liability from the deal.

<u>Value Creation</u>	
TBV Growth (equals sum of NI Year 1-5)	676.67
Cash Flow (Year 6-8)	160.36
	<b>837.03</b>

<u>Value Dilution</u>	
Debt	1,729.02
Goodwill	1,122.55
Additional Interest	807.31
	<b>3,658.87</b>