

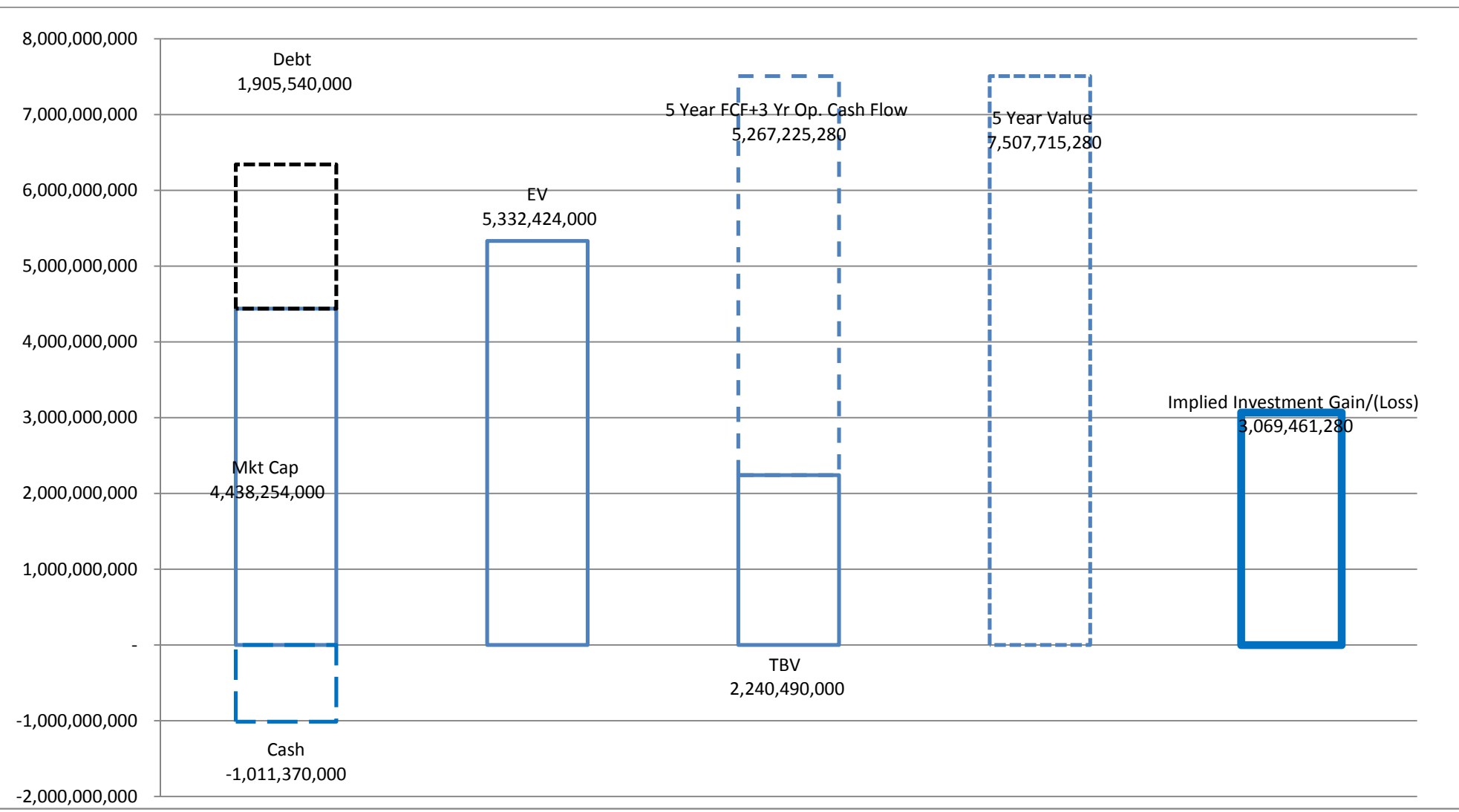
Jabil Circuit (JBL)

Price:	\$21.90	Net Tang. Bk Value Incl. Cash, Excl.	\$2,240,490,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$3,441,905,800.00
Market Cap:	\$4,438,254,000	Goodwill (NTBVIC):		Avg. Year Op. Cash:	\$658,403,160.00
Cash:	\$1,011,370,000	NTBVIC/Market Downside Recovery:	50.48%	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$1,905,540,000	Op. Cash Flow:	\$658,403,160	Year 5 Disposition Price:	\$5,417,115,280.00
Net Cash:	-\$894,170,000	Implied Years to Fill Gap:	3.34		
Enterprise Value:	\$5,332,424,000	Today's Equity if 5x Op. CF:	\$4,215,699,480		
		Net Tang. Book+ Gain Disposition:			\$5,417,115,280.00
Shares Outstanding:	202,660,000	IRR:			4.07%
		Price:			\$26.73
		Target Market Cap:			\$5,417,115,280
		Target Enterprise Value:			\$6,311,285,280

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

I never heard of this Co., but it manufactures PCBs for Apple, Cisco and RIM... RIM is a 10% customer so don't think this will work out too well for the Co. in the current time frame. Analysts are projecting a 2% drop in top-line, after seeing 3-5% YoY growth for the past 2 years. Nonetheless, the value is apparent. The current equity is sold at \$4.4BB. However, the net book value, including intangible assets, which is reasonable for an IT Co., is \$2.2BB, or 50% downside risk coverage. The Co. generates roughly \$600MM in operating cash flow, which implies a 3.5 year recovery multiple. This Co. is well priced, especially after the stock nosedived from \$24 to \$21 and retraced to \$21.90 over a month period.

The Co. generates \$16BB in revenue, which is huge, but has slim margins at 7% GM and 3% NI margin. \$1BB in cash and \$1.8BB in debt. Although the D/E is 80%, the Co. has manageable, low leverage. Operation is global in scale and has many facilities in US, China, Mexico, Singapore and E. Europe.



Jabil Circuit, Inc. was incorporated in Delaware in 1992. The Company is a provider of worldwide electronic manufacturing services and solutions. It provides comprehensive electronics design, production and product management services to companies in the aerospace, automotive, computing, consumer, defense, industrial, instrumentation, medical, networking, peripherals, solar, storage and telecommunications industries. The Company serves its customers primarily with dedicated business units that combine highly automated, continuous flow manufacturing with advanced electronic design and design for manufacturability. The Company currently depends, and expects to continue to depend, upon a relatively small number of customers for a significant percentage of its revenue, net of estimated return costs ("net revenue"). Based on net revenue, for the fiscal year ended August 31, 2012 its largest customers currently include Agilent Technologies, Apple Inc., Cisco Systems, Inc., Ericsson, EchoStar Corporation, General Electric Company, Hewlett-Packard Company, International Business Machines Corporation, NetApp, Inc. and Research in Motion Limited. The Company currently conducts its operations in facilities that are located in Argentina, Austria, Belgium, Brazil, Canada, China, England, France, Germany, Hungary, India, Ireland, Israel, Italy, Japan, Malaysia, Mexico, The Netherlands, Poland, Russia, Scotland, Singapore, South Korea, Taiwan, Turkey, Ukraine, United Arab Emirates, the U.S. and Vietnam. The Company's global manufacturing production sites allow customers to manufacture products simultaneously in the optimal locations for their products. Its services allow customers to reduce manufacturing costs, improve supply-chain management, reduce inventory obsolescence, lower transportation costs and reduce product fulfillment time. The Company manages its business and operations in the following three segments: Diversified Manufacturing Services ("DMS"), Enterprise & Infrastructure ("E&I") and High Velocity Systems ("HVS"). Its DMS segment is composed of dedicated resources to manage higher complexity global products in regulated and other industries and introduce materials and process technologies including design and aftermarket services to its global customers. The Company's E&I and HVS segments offer integrated global manufacturing and supply chain solutions designed to provide cost effective solutions for its customers. Its E&I segment is focused on its customers primarily in the computing, storage, networking and telecommunication sectors. The Company's HVS segment is focused on the particular needs of the consumer products industry, including mobility, display, set-top boxes and peripheral products such as printers and point of sale terminals. The Company is subject to a variety of federal, state, local and foreign environmental, product stewardship and producer responsibility laws and regulations, including those relating to the use, storage, discharge and disposal of hazardous chemicals used during its manufacturing process, those requiring design changes or conformity assessments or those relating to the recycling of products it manufactures.

Company Name:	Jabil Circuit
Ticker Symbol:	JBL
Last Price:	\$21.90
Net Cash/Share:	-\$4.41
Net Cash to Last Price:	-20.15%
Shares Outstanding:	202,660,000
Industry:	Contract Manufacturers
Sector:	Technology
Institutional Ownership:	89.57%
Mutual Fund Ownership:	44.90%
Insider Ownership:	4.10%
Float:	92.00%

Technicals

52 week low:	\$16.39
Today from 52 week low:	33.62%
52 week high:	\$24.32
Today from 52 week high:	11.05%

Analyst/Consensus

Analyst Sales Growth FY1:	-1.40%
Analyst Sales Growth FY2:	6.70%
SN Valuation Estimate FY1:	0.00%
SN Valuation Estimate FY2:	0.00%

Analyst Earnings Estimate FY1:	\$2.40
Analyst Earnings Estimate FY2:	\$2.75
SN Valuation Earnings Est. FY1:	\$1.19
SN Valuation Earnings Est. FY2:	\$1.19

Multiples

Market Value to Book: 1.90

EV to Book:	2.28
Market Value to Tangible Net Assets:	-2.43
P/E Ratio:	#VALUE!
Trailing P/E Ratio:	Error
Forward P/E Ratio:	Error
Beta:	2.02
Dividend:	0.32
Dividend Yield:	1.46%
Dividend Date:	Error
Ex-Dividend Date:	Error

Competitors

Average EV to EBITDA:	N/A
Company EV to EBITDA:	5.64
Average EV to EBIT:	N/A
Company EV to EBITA:	10.43

Market Capitalization:	\$4,438,254,000.00
Total Debt:	\$1,905,540,000.00
Total Cash:	\$1,011,370,000.00
Net Cash/(Debt):	-\$894,170,000.00
Enterprise Value:	\$5,332,424,000.00
Current EV/Share:	\$26.31
EBITDA:	\$945,710,000.00
EV/EBITDA Multiple:	5.64
EV/EBITDA Multiple Average Year 1-5:	5.51
EV/FCF Multiple (excluding acquisition):	11.18
EV/FCF Multiple Average Year 1-5 (excluding acquisition):	33.66

Upper Range

DCF: EV/EBITDA Terminal Value

Implied TV from 3 X EV/EBITDA Multiple	\$1,650,320,100.00
Enterprise Value	\$1,650,320,100.00
Cash at Year 5:	\$1,803,385,800.00
Debt at Year 5:	\$1,905,540,000.00
Equity Value Year 5:	\$1,548,165,900.00
Equity/Share at Year 5:	\$7.64
Annualized Return:	-18.99%

Lower Range

DCF: Net Tangible Asset excluding Cash/Debt Terminal Value

Year 5 Net Tangible Assets excluding cash and debt	\$80,780,000.00
Enterprise Value	\$80,780,000.00
Cash at Year 5:	\$1,803,385,800.00
Debt at Year 5:	\$1,905,540,000.00
Equity Value Year 5:	-\$21,374,200.00
Equity/Share at Year 5:	-\$0.11
Annualized Return:	-134.40%

EVA

EVA today:	\$2,461,381,954.74
EVA in 5 Years:	\$4,226,522,852.60
EVA/Share:	\$20.86
Cash at Year 5:	\$1,803,385,800.00
Debt at Year 5:	\$1,905,540,000.00
Equity Value Year 5:	\$4,124,368,652.60
Equity/Share at Year 5:	\$20.35
Annualized return	11.42%

Current Net Tangible Asset

Net Tangible Asset/Share:	\$7.78
Net Tangible Asset/Share in Year 5:	\$13.71
Annualized return	11.99%

Current Equity Price:	\$21.90
Selling at Discount?	Premium
Appreciation Potential:	-64.47%

Income Statement

Revenue:	#VALUE!	100.0%
Cost of Goods Sold:	#VALUE!	#VALUE!
Gross Profit:	\$1,359,860,000.00	#VALUE!
EBITDA:	#VALUE!	#VALUE!
Net Income:	#VALUE!	#VALUE!

Balance Sheet

Cash:	\$1,011,370,000.00
Short Term Investment:	\$0.00
A/R:	\$1,282,000,000.00
PP&E:	\$2,390,000,000.00
Assets:	\$9,230,270,000.00
A/P:	\$3,301,000,000.00
Deferred Tax:	\$73,170,000.00
Other Liabilities:	\$1,538,780,000.00
Short term Debt:	\$215,540,000.00
Long Term Debt:	\$1,690,000,000.00
Liabilities:	\$6,818,490,000.00
Retained Earnings:	\$1,071,000,000.00
Paid-In Capital:	\$1,853,240,000.00
Treasury Stock:	-\$670,000,000.00
Stockholder's Equity:	\$2,335,490,000.00

Cash Flow

Net Income:	370,090,000.00
Depreciation/Amortization:	418,120,000.00
Change in Working capital:	456,860,000.00
Cash from Operating Activities:	1,213,890,000.00
Capital Expenditures:	-736,860,000.00
Cash from Investing Activities:	-1,374,460,000.00
Total Cash Dividends Paid:	-67,180,000.00
Issuance (Retirement) of Stock:	-131,270,000.00
Issuance (Retirement) of Debt:	178,030,000.00
Cash from Financing Activities:	-22,990,000.00

Profitability Margins

Debt to Equity:	81.59%
Return on Assets:	4.02%
Return on Capital:	8.76%
Return on Equity:	15.91%

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	689.75	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	527.59	550.11	550.11	550.11	550.11	550.11
Interest income/(expense)	-76.21	-94.55	-104.09	-125.38	-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	0.00	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)	\$0.83	\$1.88	\$1.95	\$1.83	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19
P/E (historical today's price; forecasted intrinsic price)	26.29	11.65	11.24	11.95	19.22	20.00	20.82	21.66	22.54
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%	-6.58%	-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%	7.43%	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%	-0.68%	-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%	0.00%	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	2011	2012	2013	2014	2015
					+	-						
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
Cash and Short term	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
Accounts Receivable	1,408.32	1,100.93	1,125.02	1,281.42	1,282.00		1,282.00	1,282.00	1,282.00	1,282.00	1,282.00	1,282.00
Other receivables	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	1,408.32	1,100.93	1,125.02	1,281.42	1,282.00		1,282.00	1,282.00	1,282.00	1,282.00	1,282.00	1,282.00
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	1,165.98	1,165.98		1,165.98	1,165.98	1,165.98	1,165.98	1,165.98	1,165.98
Other Current Assets	27.99	15.74	27.83	46.26	46.26		46.26	46.26	46.26	46.26	46.26	46.26
Current Assets	4,618.46	5,101.51	5,628.39	5,807.19	5,807.77	0.00	5,807.77	5,966.17	6,124.58	6,282.98	6,441.38	6,599.79
PP&E, Gross	2,618.20	3,004.82	3,708.26	0.00	4,160.00		4,160.00	4,660.00	5,160.00	5,660.00	6,160.00	6,660.00
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	1,768.41	0.00	1,770.00		1,770.00	2,188.12	2,606.24	3,024.36	3,442.48	3,860.60
PP&E, Net	1,451.39	1,641.34	1,939.85	0.00	2,390.00		2,390.00	2,471.88	2,553.76	2,635.64	2,717.52	2,799.40
Goodwill	28.45	36.20	95.02	0.00	95.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00
Intangibles	104.11	89.11	119.05	740.43	740.00		740.00	740.00	740.00	740.00	740.00	740.00
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
Long Term Assets	1,713.72	1,942.16	2,324.51	937.93	3,422.50		3,422.50	3,504.38	3,586.26	3,668.14	3,750.02	3,831.90
Total Assets	6,332.18	7,043.67	7,952.90	6,745.12	9,230.27	0.00	9,230.27	9,470.55	9,710.84	9,951.12	10,191.40	10,431.69
Accounts Payable	2,741.72	2,885.17	2,992.86	3,301.24	3,301.00		3,301.00	3,301.00	3,301.00	3,301.00	3,301.00	3,301.00
Accrued Expense	667.94	892.39	808.48	1,301.08	1,301.00		1,301.00	1,301.00	1,301.00	1,301.00	1,301.00	1,301.00
Other current Liabilities	27.95	38.17	39.62	46.59	46.59		46.59	46.59	46.59	46.59	46.59	46.59
Total Current Liabilities	3,437.61	3,815.73	3,840.96	4,648.91	4,648.59	0.00	4,648.59	4,648.59	4,648.59	4,648.59	4,648.59	4,648.59
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
Total Interest Earning Debt	1,186.50	1,186.75	1,676.36	1,905.97	1,905.54	0.00	1,905.54	1,905.54	1,905.54	1,905.54	1,905.54	1,905.54
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	170.91		170.91	170.91	170.91	170.91	170.91	170.91
Total Liabilities	4,789.71	5,190.81	5,698.09	6,818.51	6,818.49	0.00	6,818.49	6,818.49	6,818.49	6,818.49	6,818.49	6,818.49
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
Total Equity	1,578.04	1,867.12	2,105.06	2,335.29	2,335.49	0.00	2,335.49	2,575.77	2,816.06	3,056.34	3,296.62	3,536.91
Liability + Equity	6,367.75	7,057.93	7,803.15	9,153.80	9,153.98	0.00	9,153.98	9,394.26	9,634.55	9,874.83	10,115.11	10,355.40
Variance	-35.57	-14.26	149.75	-2,408.68	76.29		76.29	76.29	76.29	76.29	76.29	76.29
Debt/Equity	0.75	0.64	0.80	0.82	0.82		0.82	0.74	0.68	0.62	0.58	0.54
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	14.30		14.30	14.30	14.30	14.30	14.30	14.30
Accounts Receivable Turnover Days	38.33	24.33	23.94	25.51	25.52		25.52	25.52	25.52	25.52	25.52	25.52
Days Payable Outstanding	80.67	68.99	68.95	70.98	70.65		70.97	70.65	70.65	70.65	70.65	70.65
Days Sales Outstanding	38.33	24.33	23.94	25.51	25.52		25.51	25.52	25.52	25.52	25.52	25.52
Cash Conversion Cycle	19.28	8.60	7.26	4.03	4.14		4.03	4.14	4.14	4.14	4.14	4.14
Net tangible assets/share	\$7.13	\$8.59	\$9.33	\$7.87	\$7.40		\$8.59	\$9.78	\$10.96	\$12.15	\$13.33	\$13.33

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	2011	2012	2013	2014	2015
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
Net Income + Depreciation	454.05	702.14	749.58	788.21	658.40	658.40	658.40	658.40	658.40
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	-176.65	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
Cash from Operating Activities	427.41	828.02	634.22	1,213.89	658.40	658.40	658.40	658.40	658.40
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
Cash from Investing Activities	-440.26	-426.28	-605.87	-1,374.46	-500.00	-500.00	-500.00	-500.00	-500.00
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
Cash from Financing Activities	-100.28	-267.72	317.36	-23.00	0.00	0.00	0.00	0.00	0.00
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
Net Change in Cash	-131.94	144.28	328.64	-205.88	158.40	158.40	158.40	158.40	158.40
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	-0.24%	7.53%	0.53%	-3.01%	2.97%	2.97%	2.97%	2.97%	2.97%
Dividend Yield	-1.35%	-1.36%	-1.47%	-1.51%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	88.85	429.44	201.76	544.21	158.40	158.40	158.40	158.40	158.40

SN VALUATION

LBO Debt Schedule

Ticker:

JBL

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

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	1,159.18	1,317.58	1,475.99	1,634.39	1,792.79	1,951.20
Total Assets	6,332.18	7,043.67	7,952.90	9,230.27	9,470.55	9,710.84	9,951.12	10,191.40	10,431.69
X1	0.19	0.18	0.22	0.13	0.14	0.15	0.16	0.18	0.19
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	7,952.90	9,230.27	9,470.55	9,710.84	9,951.12	10,191.40	10,431.69
X2	0.02	0.06	0.10	0.12	0.14	0.16	0.18	0.20	0.22
EBITDA	353.49	600.79	638.75	527.59	550.11	550.11	550.11	550.11	550.11
Total Assets	6,332.18	7,043.67	7,952.90	9,230.27	9,470.55	9,710.84	9,951.12	10,191.40	10,431.69
X3	0.06	0.09	0.08	0.06	0.06	0.06	0.06	0.05	0.05
Market Value of Equity	4,438.25	4,438.25	4,438.25	4,438.25	4,618.74	4,806.56	5,002.02	5,205.43	5,417.12
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
X4	0.93	0.86	0.78	0.65	0.68	0.70	0.73	0.76	0.79
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	7,952.90	9,230.27	9,470.55	9,710.84	9,951.12	10,191.40	10,431.69
X5	2.12	2.35	2.16	1.99	1.94	1.89	1.84	1.80	1.76
Altman Z Score	3.11	3.45	3.29	2.88	2.90	2.90	2.91	2.93	2.94

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

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
Tangible Book Value	2,240.49	2,480.77	2,721.06	2,961.34	3,201.62	3,441.91				3,441.91
Annual Change		240.28	240.28	240.28	240.28	240.28				
Annual FCF	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)	
Today's Tangible Book Value	2,240.49	2,441.37	2,660.27	2,898.79	3,158.70	3,441.91				3,917.12
Intrinsic Value IRR	8.97%									
Market Price	4,438.25	4,328.75	4,221.96	4,117.79	4,016.20	3,917.12				3,917.12
Market Price IRR	-2.47%									

Debt	50.00%	2,219.13
Equity	50.00%	2,219.13
Total	100.00%	4,438.25

	Present Value	Holding Period					Terminal Value			Sale Price
	Historic	ProForma	1	2	3	4	5	6	7	8
Book Equity	2335.49	2,219.13	2,322.60	2,426.08	2,529.56	2,633.03	2,736.51			
Goodwill	95	2,197.76	2,197.76	2,197.76	2,197.76	2,197.76	2,197.76			
Debt	1690	3,909.13	3,909.13	3,909.13	3,909.13	3,909.13	3,909.13			
Debt Interest Rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%			
Additional Interest Expense		210.47	210.47	210.47	210.47	210.47	210.47			
Tangible Book Value	2240.49	21.36	124.84	228.32	331.79	435.27	538.74			538.74
Annual Change			103.48	103.48	103.48	103.48	103.48			
Annual FCF	477.03	21.60	21.60	21.60	21.60	21.60	21.60	21.60	21.60	64.79
Annual Net Income	371.48		103.48	103.48	103.48	103.48	103.48	103.48	103.48	
Annual Op. Cash Flow	1,213.89	521.60	521.60	521.60	521.60	521.60	521.60	521.60	521.60	
Dividend Payments										
Annual PP&E Investment	(736.86)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	(500.00)	
Debt Paydown	0.00							0.00	0.00	0.00
Sale Price in Year 5										603.53
Capital Left for Equity Investor										603.53
Dividend Payments										0.00
Total Cash In Flow										603.53
Invested Equity	2,219.13	1,710.35	1,318.22	1,016.00	783.06	603.53				
IRR	-22.93%									

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)	517.38
Cash Flow (Year 6-8)	64.79
	582.17

<u>Value Dilution</u>	
Debt	2,219.13
Goodwill	2,102.76
Additional Interest	1,052.36
	5,374.25