



2000 Summary Annual Report



AS OUR EMPLOYEES GAIN MORE EXPERTISE WITH EACH PROJECT, OUR CLIENTS
RECEIVE EVEN BETTER SOLUTIONS. IN TURN, THEIR REPEAT BUSINESS PROVIDES
US MORE OPPORTUNITIES FOR GROWTH AND CONTINUOUS IMPROVEMENT.
THIS CYCLE IS THE ESSENCE OF OUR RELATIONSHIP-BUILDING PHILOSOPHY.

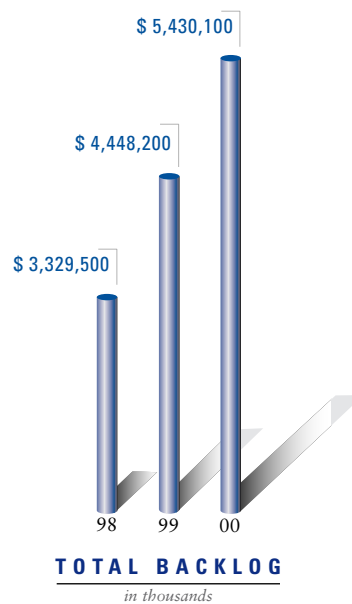
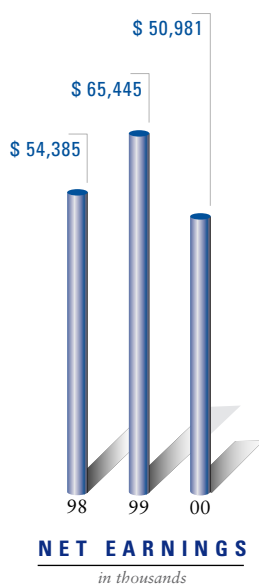
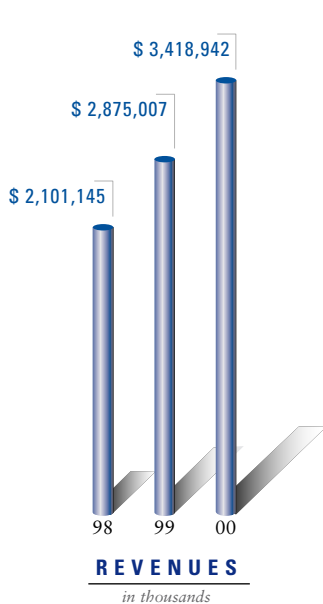


SELECTED HIGHLIGHTS

For Fiscal Years Ended September 30 (Dollars in thousands, except per-share information)

	2000	1999	1998
Revenues	\$ 3,418,942	\$ 2,875,007	\$ 2,101,145
Net earnings	50,981	65,445	54,385
Per-share information:			
Basic EPS	\$ 1.95	\$ 2.54	\$ 2.12
Diluted EPS	1.93	2.47	2.08
Net book value	18.72	16.95	14.23
Closing year-end stock price	40.3125	32.50	31.00
Total assets	\$ 1,384,376	\$ 1,220,186	\$ 807,489
Stockholders' equity	495,543	448,717	371,405
Return on average equity	10.80%	15.96%	15.63%
Stockholders of record	1,115	1,208	1,352
Backlog:			
Professional technical services	\$ 2,375,300	\$ 1,760,000	\$ 1,004,500
Total	5,430,100	4,448,200	3,329,500
Permanent staff	18,800	15,900	10,080

Net earnings for fiscal 2000 includes an after-tax charge of \$23,749, or \$0.89 per diluted share, relating to the settlement of certain litigation.



SHAREHOLDERS MESSAGE

We are pleased to report our results for the fiscal year ending September 30, 2000. We had pro forma net earnings of \$74,700,000 or \$2.82 per diluted share on revenues of \$3.4 billion. This compares to net earnings of \$65,000,000 or \$2.47 per diluted share on revenues of \$2.9 billion for fiscal year 1999. Pro forma net earnings for fiscal 2000 excludes a special litigation charge of \$38,000,000 recorded in the first fiscal quarter. Including this special charge, net earnings for fiscal 2000 were \$51,000,000 or \$1.93 per diluted share.

We reported total backlog at September 30, 2000 of \$5.4 billion, which was a \$1 billion increase from last year — another record.

Though we operate in a diverse business climate, overall our workload remains strong, reflecting healthy economies in the U.S. and Europe; Southeast Asia and India continue to recover.

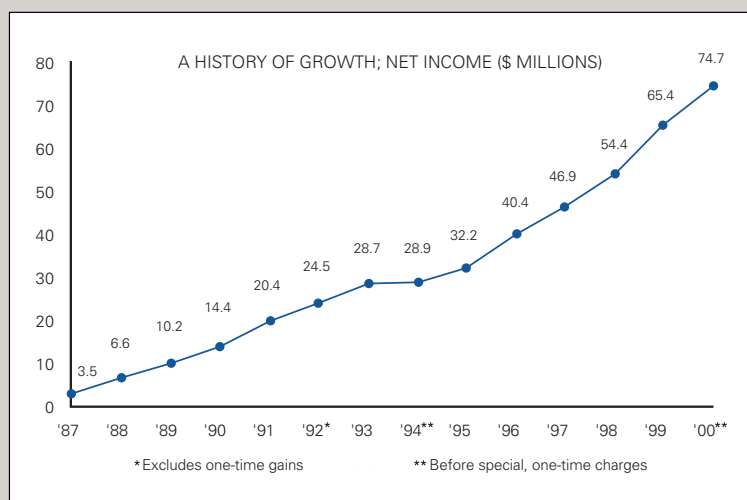
Specifically, Buildings, Infrastructure, Federal, Pharmaceuticals & Biotechnology, and Telecommunications & Semiconductor are all quite robust. Chemicals & Polymers and Pulp & Paper continue at the bottom of the cycle, but we expect these markets to improve in the coming months. Government regulations are driving the Petroleum Refining market, and we expect a significant improvement both in the U.S. and Europe.

During the year we continued our global expansion, adding a portion of the engineering business of Stork Engineering Group. This provided us

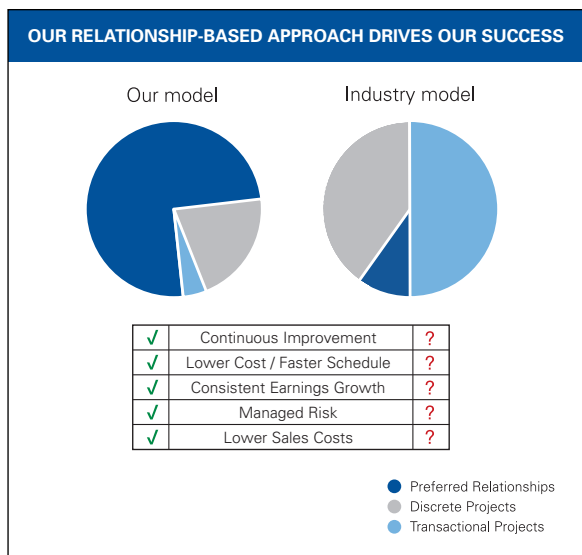
new operations in The Netherlands, Belgium, Germany, Malaysia, and Thailand; areas where core clients are already located.

Our net income has grown at a compounded rate of 26.5 percent since 1987, as evidenced by the chart below. Our ability to grow our business at this steady pace stems from a combination of merger/acquisition activity plus continued improvement of our market share in the diversified sectors we serve. The business we operate in is very fragmented; no one competitor has significant market share. Thus, with our strategic diversification, we believe our long-stated growth objective of 15 percent per year at the bottom line is quite realistic.

We attribute this successful growth and expansion to our unique business model — a relationship-based approach with approximately 70 percent of our work derived from long-term partnerships and alliances. This differs dramatically from the conventional industry model that relies heavily on discrete and transactional projects (*see opposing chart*).



Since 1987 our profits have grown consistently, resulting in a compounded growth rate of 26.5 percent.



Working in tandem with our clients rather than as adversaries, our relationship model supports their continued growth, improved profitability, and market advantage in brutally competitive industries. This in turn reinforces the value of our business model and ensures our continued growth and success. For us, consistent earnings growth, manageable risk, lower sales costs, and a more predictable revenue stream have resulted.

This model is only successful when we are committed to superior performance at every level of the organization, and our clients trust us to guard their interests as our own. This includes providing our employees with the tools they need to do their best work. For example, we are investing heavily

in our hardware and software systems to improve productivity and product quality. We have standardized our global work procedures so that we can effectively transfer work electronically from high-volume areas to those that are under-utilized; from high cost labor areas to low cost labor areas; and to take advantage of technical expertise company-wide. This ability to easily move work shortens schedules, reduces costs, and improves the quality of the services we provide our clients. Internally, our performance and safety award programs motivate our staff to achieve their highest potentials, to the delight of our clients.

Implicit to this strong relationship-based orientation is a persistent focus on providing a safe workplace for our clients and employees alike. We have a good safety program, but we have decided good is not good enough. We are retooling our whole program, looking for quantum improvements, so that even minor accidents that are commonplace today will be virtually unheard of in a few years. It is our goal to totally eliminate accidents from the workplace.

We take this opportunity to thank our employees, our shareholders, and our clients for their tremendous support over the past years. Because of your dedication and support, there is no limit to what we can accomplish.

JOSEPH J. JACOBS,
Chairman of the Board

NOEL G. WATSON,
President & Chief Executive Officer

BOARD OF DIRECTORS



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Chief Executive Officer*

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Chairman of the Board



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J. CLAYBURN LAFORCE

*Director (Dean Emeritus, Anderson
Graduate School of Management,
University of California at Los Angeles)*



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*Director (Retired. Former CEO and Chairman
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*Director (President, Middle East
Technology Assistance)*

DAVID M. PETRONE

*Director (Chairman, Housing Capital Company;
Former Vice Chairman of Wells Fargo & Co.)*

WILLIAM R. KERLER

Director (Retired Executive Vice President of Jacobs)



(back row - left to right)

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Group Vice President, Civil

WARREN M. DEAN

Group Vice President, Facilities

MICHAEL J. HIGGINS

Group Vice President, Civil

JAMES C. USELTON

Executive Vice President, Operations

(seated - left to right)

ROGERS F. STARR

President, Sverdrup Technology, Inc.

ROBERT M. CLEMENT

Group Vice President, Central Region



(back row - left to right)

ANDREW E. CARLSON

*President & Chairman,
Jacobs Sverdrup Constructors Inc.*

WALTER C. BARBER

Group Vice President, Asia

PHILIP J. STASSI

Group Vice President, Southern Region

(seated - left to right)

ROGER L. WILLIAMS

Group Vice President, Federal Programs

GEORGE A. KUNBERGER

Group Vice President, Northern Region



(left to right)

LAURENCE R. SADOFF

Senior Vice President, Quality & Safety

GREGORY J. LANDRY

Group Vice President, International Operations

NAZIM G. THAWERBHOY

Senior Vice President, Controller

STEPHEN K. FRITSCHLE

Group Vice President, Field Services



(back row - left to right)

RICHARD J. SLATER

Executive Vice President, Operations

THOMAS R. HAMMOND

Executive Vice President, Operations

JOHN McLACHLAN

Group Vice President, International Operations

(seated - left to right)

JOHN W. PROSSER

Senior Vice President, Finance & Administration

CRAIG L. MARTIN

Executive Vice President, Global Sales

RELATIONSHIPS DELIVER MEASURABLE VALUE

A relationship-based business model is only successful when each employee, at every level of the organization, is committed to developing relationships resulting in delighted clients.

Being a relationship-based company (one of our core values) is dependent on another core value:

“people are our greatest asset.” We can only delight our clients if we have the people to identify, address, and satisfy their business and project needs.

We invest in our people, who in turn invest in our clients through superior performance.

HOW EMPOWERING PEOPLE LEADS TO SUPERIOR PERFORMANCE

ADDING KNOWLEDGE AND EXPERTISE:

- Jacobs College
- Safety training
- Continuing education
- Boundaryless networking



CREATING AN EMPOWERING WORK ENVIRONMENT:

- Global SOPs and work process maps
- Virtual office platform and execution
- Global/multi-site Alliances
- Modular fabrication

DRIVING PERFORMANCE LEADERSHIP:

- Jacobs Master Builder Awards:
 - Alaska TERC
 - Okaloosa School District
 - Y2K Conversion Project



SAFEGUARDING OUR GREATEST ASSET:

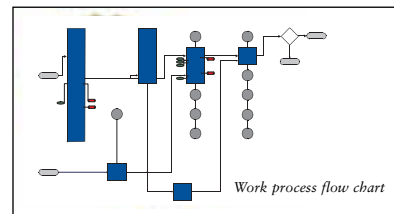
- President's Safety Excellence Awards for our work with Aristech, Exxon Plastics, Exxon Refinery, and Shell Chemical
 - National Irish Safety Organisation Safety Awards to our Cork operations and our work with Eli Lilly, Merck Sharp & Dohme, Novartis, and Roche
 - Royal Society for the Prevention of Accidents (RoSPA) Gold Medal award for our Glasgow, Manchester, and London operations' contribution to occupational safety in the U.K.
-

ENSURES PROJECT SUCCESS:

- Minimal learning curves
- Safer projects
- Innovative, cost-effective solutions
- Global best practices, local knowledge

PRODUCES PREDICTABLE, SUSTAINABLE RESULTS:

- Foundation for reliable, tailored project execution
- Workforce continuity and flexibility
- Integration of global and local expertise
- Safe, economical, timely project delivery



LEADS TO INNOVATION, EXCELLENCE, AND ADDED VALUE TO OUR CLIENTS:

- Saved clients \$4 million and nearly 4 years on schedule
- Delivered leading-edge schools 1 year early and \$9.5 million under budget
- Ensured uninterrupted service to our clients

PROTECTS OUR CLIENTS' PEOPLE AND BUSINESS GOALS:

- Safe workers are more productive
- Morale is high on accident-free sites
- Client enjoys positive public relations
- Safety in design and construction saves money
- Safe fieldwork helps maintain project schedules



Knowledge, tools, and motivation are the building blocks of a dynamic workforce. As our employees gain more expertise with each project, our clients receive even better solutions. In turn, their repeat

business provides us more opportunities for growth and continuous improvement. This cycle is the essence of our relationship-building philosophy.



BUILDINGS

1. *Richmond Public School District, Richmond, Virginia*
2. *Washington University Pediatrics, St. Louis, Missouri*
3. *Richmond Court House, Dublin, Ireland*
4. *Fenton River Chase Rec-Plex, Fenton, Missouri*



2

The Buildings market boomed in 2000, especially publicly funded educational, healthcare, and correctional facilities development in the U.S. Europe also saw a surge in both government and commercial building investments. In this vibrant business climate, we grew our buildings work by more than 30 percent this past year.

Many buildings projects now include embedded high-speed telecommunications and fiber-optics data transmission systems. Of note is the State of Pennsylvania's Keystone Building project, a \$150 million office building designed to house 2,240 state employees. We provided construction management services as the lead partner of a joint venture, delivering the project one year ahead of schedule and under budget.

Drawing on extensive healthcare facility experience, we perform consultant construction management services for the new 600-bed Los Angeles County University of Southern California Medical Center in California. We developed a construction sequence that minimizes impact to adjacent neighborhoods and maintains continuous operation of existing hospital facilities. Our constructability, value engineering, and creative bid packaging resulted in more than \$60 million in cost avoidances. In the K-12 education segment, new work includes the Omaha, Nebraska Schools Program; Pasadena, Texas Schools program; and an expansion of the Washington D.C. Schools program. Part of our work on the \$254 million Omaha Public Schools facilities improvement program involved recycling an abandoned cereal factory into interim classroom space. This cost-effective solution allowed for major renovations on the main campus without disrupting education.

We're performing engineering services for the French Ministry of Foreign Affairs on their new Embassy in Berlin, Germany. Design of this 27,000-square-meter facility meets the Ministry's wishes to combine stringent security and environmental requirements with elegant architecture. Working closely with a consultant to meet local building specifications, we produced all design and construction documents in both French and German. Ahead, growing demands for large health and research programs; a significant increase in educational funding for schools; and the continued need for more justice facilities all point to a robust climate for buildings investment in the foreseeable future.



3

"I've never been more impressed with a construction management firm than I've been with Jacobs, and I've been involved with school construction for almost 20 years. We had over 430 projects to be completed at 26 different sites within a short time and Jacobs used accurate planning to pull them off, within budget."

SCOTT D. MURPHY

Assistant Superintendent of Business

Services / Chief Financial Officer

Littleton Public Schools, Littleton, Colorado



4



CHEMICALS & POLYMERS

1. Koch, Metaxylene Plant, Corpus Christi, Texas
2. BP, Polypropylene Facility, Carson, California
3. BASF, Geismar, Louisiana
4. Buna Sow Leuna, Bohlen, Germany



2

This market remained flat in 2000, with overcapacity in the U.S. and a weak Asian economy. However, fundamental underlying economic growth points to market recovery, particularly in specialty chemicals and polymers. Meanwhile, owners maximize margins in a competitive market by outsourcing capital projects and improving plant efficiency. With an already strong presence in this market, we continue to develop multi-site partnerships with our clients. We explore creative solutions to maximize their facility investments such as “round the clock” design, sharing work between our U.S., European, and Indian offices.

This year we signed an alliance with Equistar Chemicals as their full-service partner, to perform approximately \$100 million per year in projects at their sites across the U.S. We continue our engineering and procurement services alliance with BASF, executing nearly \$600 million of work in the Gulf Coast since 1997. Highlights include new toluene diisocyanate and ethylene oxide/ethylene glycol facilities in Louisiana and a hexanediol project in Texas. For DSM in The Netherlands, we provide a complete range of multidisciplinary project services for their Geleen site, which led to an extension of our original five-year umbrella agreement. GE Plastics required an aggressive schedule to meet their business goals for a \$180 million polymers plant revamp in Alabama. We reduced the schedule by 6 months, shortened procurement cycles by 25 percent using web-based project interfaces, and lowered costs by sharing design work with our Mumbai office. For ExxonMobil Chemical’s Baytown facility in Texas, we used our structured work process to manage their 2000 Aromatics Turnaround, completing it 3 days ahead of schedule and \$2 million under budget. As always, safety comes first — we’ve performed more than 4.1 million workhours at this plant without a lost-time accident.

We expect to see this industry pick up over the next couple of years as demand for bulk and specialty chemicals rises in both the U.S. and overseas. Through our multi-site relationships, we see many opportunities to combine our industry expertise with streamlined work processes to help our clients prosper as this market recovers.

“We ran into a unique situation. We had one year to get a reactor engineered, constructed, and making resin. Usually it would take 2 years to stick-build a reactor at an operational plant. The only way to go was modular construction, so we went to Jacobs. The price was right and the timing was great. They designed and built the system in 8 months. We were operational in 9 months.”

KEVIN FLOYD

Project Manager

Ashland Specialty Chemical Co.,

Columbus, Ohio



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4



INFRASTRUCTURE

1. *Page Avenue Extension, St. Louis, Missouri*
2. *Amtrak Autotrain Station, Lorton, Virginia*
3. *Lambert International Airport, St. Louis, Missouri*
4. *Clarksville Wastewater Treatment Plant, Clarksville, Tennessee*



2

Continued funding from TEA-21 and a surge of local tax and bond dollars collectively fuel the greatest public transportation boom in U.S. history. In Europe, we see a notable increase in rail transportation investments. Water and wastewater treatment facility upgrade work is also growing, worldwide. While project opportunities are plentiful, qualified technical and management personnel are scarce, so clients rely on our private sector best practices to help cut costs and manage risk. This year, we started design of the 3.1-mile-long, 1,500-foot wide Cooper River Bridge in South Carolina. The new replacement structure design includes high-level approach viaducts and contiguous multilevel interchanges.

As managing principal of a joint venture, we provided program and construction management for the \$1.3 billion Metro Red Line, North Hollywood Extension in Los Angeles — within budget and ahead of schedule. Successful construction of this 3-station, 6.3-mile underground segment involved addressing geotechnical, environmental, and traffic control challenges. For example, by re-evaluating tunneling options we cut the construction scope in one seismic section by 50 percent while improving structural support and reducing construction impacts. We are also growing this work in Europe, with rail system upgrade projects underway in Ireland and England.

Our utilities work includes program and construction management for the City of Detroit's Wastewater Treatment Rehabilitation Project, upgrading one of the world's largest wastewater treatment facilities. Safety and zero impact to existing operations are critical issues on this long-term project, as are proactively streamlining and managing the plant's maintenance program. In France, we received a design and construction services support contract from SYCTOM for a state-of-the-art \$300 million domestic wastes treatment plant. This environmentally friendly design minimizes exhaust gas, solid waste, and wastewater, as well as water and energy consumption.

Ahead, infrastructure work should be plentiful worldwide, particularly with continued funding of road and rail improvements, as well as new monies for air transportation facilities. We continue to support our clients with creative total project delivery solutions, including cost-saving design-build execution and multi-office design collaboration.

“The Water District's project encompasses two large counties in Missouri, covers more than 12 miles of pipeline work and crosses one of the largest rivers in North America. It is clearly one of the largest projects the Water District has undertaken. This project's success was based on teamwork and cooperation. Jacobs has done a fantastic job of coordinating everything.”

CATHERINE COBB

President of the Board of Directors

Public Water Supply District No. 2 of

St. Charles County, Missouri



3



4



FEDERAL SYSTEMS

1. NASA, *International Space Station, Huntsville, Alabama*
2. ESS DAMASK, *China Lake, California*
3. FAA / Tracon, *Sacramento, California*
4. NIST, *Gaithersburg, Maryland*



Large federal facilities programs and complex defense program support work remained steady this year. With relatively flat budgets, our public sector clients increasingly adopt industry best practices. For example, we provide services to help agencies reengineer and standardize work practices for better technical facility operations. On Test & Evaluation Operations and Maintenance (O&M) programs, our real-dollar cost reductions average 3 percent per year, compounded.

Our U.S. Air Force work includes a 7-year, \$450 million, multiple-award Design and Engineering Support Program contract for three Air Force Logistics Centers. Activities include life cycle sustainment of aircraft, munitions, and military operations support equipment. We again won the Naval Air Warfare Center Weapons Division's Engineering Support Services contract for weapon system development at multiple locations. We supported development of the Direct Attack Munition Affordable Seeker (DAMASK), an accuracy-enhancement kit for the Joint Direct Attack Munition. During initial tests, DAMASK dramatically improved delivery accuracy from 13 meters to less than three meters.

For NASA, we perform design and risk management on the Environmental Control and Life Support System for the International Space Station program at Marshall Space Flight Center. We suggested an alternate method for coating titanium parts that cost NASA 75 percent less than the original approach. At NASA Langley Research Center, we provide design and supply of a 6,200-psig air storage and delivery system for the 8-foot High Temperature Wind Tunnel — used for testing propulsion, thermal protection, and aerothermal loads. Our innovative vessel selection and modular construction helped meet NASA's program schedule, and provided a total turnkey cost 5 percent below their budget. Currently our overall average award fee for engineering services contracts with NASA is 95.2 percent.

Overall, continued federal funding of high technology and sophisticated weapon systems development points to steady work ahead. We will also support NASA in growing programs such as the International Space Station and new Space Launch Initiative. We expect our engineering and technical support assignments to grow significantly over the next three years.

“One of the primary objectives of DAMASK was to meet a very aggressive cost goal. In order to do that, we had to invent a novel guidance paradigm. Many experts in the field of Guidance & Control advised that our approach would make it very difficult, if not impossible, to achieve the required accuracy. We took our problem to Jacobs and they analyzed our system, proposed solutions to our G&C problems, and worked with us to develop a system that met our cost and accuracy objectives.”

HOWARD MCCAULEY

Technical Direction Agent for DAMASK

U.S. Navy, Naval Air Warfare Center

Weapons Division, China Lake, California



3



4



PULP & PAPER

1. *American Tissue, St. Helens, Oregon*
2. *California Paper Board, Santa Clara, California*
3. *Abitibi, Sheldon, Texas*
4. *International Paper, Confidential location*



2

Recent industry consolidations, coupled with increasing consumer demands for quality, drive our pulp & paper clients to streamline operations and address changing market needs. The U.S. market is relatively mature and continues to grow at slightly below the GDP rate. However, significantly higher growth rates overseas and in selected segments of the U.S. provide new opportunities for our clients. We help them adapt to these changing markets through leading-edge process technology, global capability, and long-term industry relationships.

This year's project highlights include helping a confidential client streamline and improve production efficiency at their mills — with three paper machine rebuilds, a paper machine relocation, and a de-ink expansion. The de-ink facility, currently one of the largest in the world, has far exceeded its ramp-up curve and design capacity. We continue to support Cluster Rules projects for one of the world's largest paper manufacturers at their five U.S. mills, using proven project management tools to yield capital effectiveness savings between 5 and 10 percent of total installed project costs. Their satisfaction earned us multiple 100 percent client survey ratings.

We are also performing small capital and maintenance services for Westvaco Corporation's activated carbon plant in Kentucky. As part of a joint committee for major maintenance enhancements, we work closely with Westvaco to optimize maintenance, improve operational reliability, and increase profitability.

In Europe, we provided complete project services on Le Monde's \$15 million newsprint facility expansion in France. Anticipating upcoming press demands, Le Monde needed a flexible, responsive design to accommodate new formats and quick deadlines. Our master plan restructured the facility within a dense existing footprint, with construction carefully staged for zero impact to ongoing operations.

Looking ahead, we see our clients continuing to improve paper product quality through process innovations. Sustained growth in Europe will also create more new markets and operational opportunities for our clients. As the leading pulp & paper contractor, we are very well positioned to support our core clients as they expand worldwide.

"Everyone on the Jacobs team is very technically qualified. The level and variety of expertise Jacobs has is a big differentiator. Overall the team members are looking after the success of the project and not just their piece of the project. We are pleased with the value received for the dollars spent. Value Plus is a great tool that works well. If we had another job today, we would put Jacobs at the top of the list."

RICK GOLEY

Project Manager

International Paper, Confidential Location



3



4



BASIC RESOURCES

1. *ASTARIS, Soda Springs, Idaho*
2. *Arab Potash, Cork, Ireland*
3. *Phelps Dodge, El Abra, Chile*
4. *Pinal Creek Consortium, Globe, Arizona*



BASIC RESOURCES

This year brought signs of renewed activity in phosphates as well as in base and precious metals. Our phosphate clients continued to diversify into specialty products — such as purified acid — to increase profit margins. In metals, copper continued to recover with prices averaging 80 cents per ounce and a brief price spike fueled optimism for a sustained recovery. Toward year-end, copper prices reflected mounting upward pressure due to falling inventories and increased demand. After a 20-year low of \$250 per ounce in August 1999, gold briefly rallied above \$300 but has been flat since then, with a trading range between \$260 and \$280. Our base and precious metals clients continue to focus on international mining investments in response to depressed prices and regulatory requirements in North America.

In phosphates, we completed Western Mining Limited's diammonium phosphate granulation facility in Australia, passing all testing and guarantees, and running at full production capacity. Our work also includes a purified phosphoric acid plant for ASTARIS in Idaho, using 16 modules fabricated in our Charleston plant to mitigate local labor shortages and support the fasttrack schedule.

For Oswal Chemicals and Fertilizers, we provided complete project services for the world's largest single stream diammonium phosphate (DAP) fertilizer production complex in India. The complex includes three fertilizer granulation lines for a total investment of approximately \$500 million. Successful early capacity and quality production trials demonstrate effective engineering collaboration between our Indian and U.S. offices. Sharing work between our Colorado and Germany offices, we've recently begun engineering, procurement, and construction management for the Zarafshan Newmont Mining Joint Venture Leach Pad Expansion in Uzbekistan. Ahead, experts see a steady recovery in Basic Resources for both phosphate rock and base metals, particularly copper. Our clients continue global expansion, with new opportunities ahead in Africa, Asia, and South America. To support client needs, we combine our specialized process design expertise with creative project delivery solutions such as modular fabrication and sharing design work with our low-cost engineering centers.

“Jacobs has been a true partner to ASTARIS in every aspect of this critical project. Their commitment to safety has been unparalleled. They have proven again that a safe workplace is the key to high productivity and quality.”

JERRY SIBLEY

Chief Executive Officer

ASTARIS, Soda Springs, Idaho



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4



MANUFACTURING

1. *Ford, Detroit, Michigan*
2. *Legrand, Verneuil en Halatte, France*
3. *Saint-Gobain, Chennai, India*
4. *Toyota, Valenciennes, France*



2

Manufacturing was robust this year, particularly in the automotive sector. As automakers focus on their core business, we provide innovative component and system testing services as well as capital project and test assets management. Our testing technologies help develop accurate data critical to model development. We also see continuing European facility investments, as manufacturing firms respond to growing international consumer demands. We help DaimlerChrysler develop new fuel economy methodologies, including techniques to prove the viability of all-virtual “coastdown” testing. Accurate projections of coastdown — automobile deceleration without use of brakes or gas — help automakers make early, economical design improvements. Our studies show that virtual wind tunnel testing cost-effectively projects fuel economy and vehicle performance for product development.

For Toyota’s first European automotive manufacturing plant, we managed production equipment installation, commissioning, and startup on their new Yaris facility in northern France. Our local permitting and equipment installation knowledge helped put the plant on-line rapidly to meet competitive market demands. For BMW, we are upgrading their Oxford, U.K. facility for a new production line — fasttrack program management, zero impact to existing operations, and environmental compliance are all critical issues on this project.

In other sectors, we provided design and permitting for Legrand’s new 70,000-square-meter electrical appliance European Distribution Center (DC) in France, designed to handle 20,000 stockkeeping units. Original plans called for revamping two existing facilities, but our conceptual design helped determine that an integrated, centralized DC was the most economical solution. We also executed full project delivery services for Saint-Gobain on their new float glass facility in India, where trial runs during initial startup have been successful. This project serves as a model for Saint-Gobain worldwide, with design and construction of their new U.K. facility underway using our Mumbai and Manchester operations.

We expect a growing trend for automakers and suppliers to outsource their test assets management, pursue innovative test technologies, and integrate information technology into their services contracts. We also see increasing opportunities in product distribution and logistics facilities, as our manufacturing clients continue expanding globally.



3

“The Jacobs team is very flexible and professional. They promote team work spirit among the multinational project team, which has included 16 different nationalities during equipment installation. In such complicated working conditions, communication is extremely important. Jacobs team members communicate well with people of any nationality to get each task done on behalf of the Toyota team. Without the Jacobs team, Toyota Japanese staff would have faced chaos in the construction site. Long-term relationships are a key factor for success. We look forward to working with Jacobs in future projects as a lasting partner.”

KATSUJI HIDAKA

**General Manager, Toyota Motor Europe
Manufacturing, Valenciennes, France**



4



REFINING

1. *Shell, Pernis, The Netherlands*
2. *Conoco, Lake Charles, Louisiana*
3. *ExxonMobil, Baton Rouge, Louisiana*
4. *HOVENSA, St. Croix, Virgin Islands*



2

This market is quite active, as refineries prepare to meet new clean fuels requirements by mid-decade, to include MTBE phase-out, NOx reduction, and low-sulfur fuels. Experts say meeting these new regulations, plus increased product demands, will soon outstrip current supply — driving expansion of U.S. capacity and/or an increase in refined product imports. Under new and expanded alliances, we support our clients by developing process innovations for cleaner fuels while integrating multi-site refinery operations for better efficiency.

In our alliance with BP, we provide engineering, procurement, construction, and maintenance at their Southern California facilities. Our up-front project cost modeling and validation support BP's goal to maximize return on capital investment. Independent third-party benchmarking has ranked our work as industry best-in-class in schedule cycle execution and safety — a real accomplishment for the first year. Our experience and structured work processes have improved overall predictability on BP's capital program.

We designed and fabricated 36 modules for Conoco's marine terminal in Louisiana. The project was modularized to minimize impact to their existing operations and for improved safety. By using this approach, we moved 50 percent of the workhours off-site, reduced on-site storage and laydown area requirements, and saved our client 10 percent compared to the cost of conventional construction.

Our refining work continues to grow globally as our clients invest internationally. This year we completed a revamp contract for the three existing Hydrodesulphurisation Units at Shell's Refinery in The Netherlands. As part of an integrated project team with Shell, our early role in planning this fasttrack project helped Shell improve plant reliability, reduce environmental burden, minimize capital investment and downtime, and reduce operation and maintenance costs. By executing basic and detailed design concurrently, we reduced the project schedule by 6 months.

Ahead, our clients will continue ramp-up activities to comply with clean fuels requirements and address U.S. capacity issues. We work with our clients during this important time, providing innovative, expeditious, and economical solutions to balance compliance with profit.

“CITGO's relationship with Jacobs in the past has been excellent. This new alliance allows us to take full advantage of the firm's expertise at all of our major refinery operations.”

JERRY E. THOMPSON

**Senior Vice President, Development
& Technological Excellence
CITGO Petroleum Corporation
Tulsa, Oklahoma**



3



4



FEDERAL PROGRAMS

1. *Castle AFB, California*
2. *U.S. Army Engineer District, Alaska TERC Program*
3. *AFCEE, Cape Cod, Massachusetts*
4. *National Ignition Facility, Livermore, California*



Federal cleanup, operations and maintenance (O&M), and facilities work is plentiful with our long-term Department of Defense (DOD) and Department of Energy (DOE) clients, and new opportunities are steadily emerging. With pressure to streamline their site resources, clients continue to seek our industry best practices to remediate sites and build facilities quickly and economically.

Our relationship with the U.S. Army Corps of Engineers (USACE), Alaska District continued to mature in 2000. For our Total Environmental Restoration Contract work, we received both the 1999 “Contractor of the Year Celebrate Safety” Award from the Alaska District and Pacific Ocean Division, and the prestigious Chief of Engineers Award for Safe Performance from the USACE Headquarters in Washington, D.C. We performed 75 percent of the work in remote Alaska locations on 45 different project sites using more than 500 local businesses — saving millions of dollars and cutting years off the program schedule.

We continue our long-term relationship with DOE at a number of sites nationwide. We negotiated a \$230 million contract for clean assembly and installation of the Lawrence Livermore National Laboratory’s first-of-a-kind Beampath Infrastructure System at the National Ignition Facility. In a joint venture, we are delivering the conventional buildings for the \$1.4 billion Spallation Neutron Source research facility.

On our Rocky Flats Closure Site Services contract, we continue implementing measures during early site decommissioning to improve cost and schedule performance. Using our maintenance technology, we recently executed 26 packages on one building in less than 30 hours. In two years, we’ve cut our staff by half, increased productivity by 16 percent, and saved our client nearly 40 percent of the previous contract value — all while maintaining the best safety record on-site.

Federal programs work should remain consistent, with increasing emphasis on O&M relating to site closure. As sites face further staff reduction, we see opportunities to provide specialized services such as pollution prevention, energy conservation, and environmental compliance. We also look to expand our high-technology research and development facility work in this market.



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“Your Accident Prevention Plan, safety initiatives, training, enforcement and management support resulted in a stellar safety performance. Jacobs safely executed 14 separate projects totaling \$66.5 million during the four-year base period of the TERC. The hazards associated with remote logistics and environmental contaminants were addressed systematically which assured that this environmental restoration work was accomplished safely. Congratulations on your outstanding safety record.”

SHELDON L. JAHN

Colonel

U.S. Army Engineer District, Alaska - TERC



4



PHARMACEUTICALS & BIOTECHNOLOGY

1. Irish National Blood Transfusion, Dublin, Ireland
2. Eli Lilly, Indianapolis, Indiana
3. Genentech, Vacaville, California



2.a-g



A maturing biotechnology industry, high consumer demand, and new governmental regulations all contribute to make this a very dynamic market. The first major biotechnology-derived drugs are now reaching the marketplace, with more than 1,000 new medicines currently in development. These product development commitments drive our clients to continue capital spending and global expansion. We help them meet demand and increase product speed to market through a growing number of formal and informal alliances. Continuing our long-term relationship with Eli Lilly, we completed engineering, modular fabrication, and construction management for their bulk pharmaceutical manufacturing facility in Ireland — their first such facility to use modular technology. This allowed Lilly to delay capital spending by 12 months while maintaining competitive speed to market.

We strengthen our 20-year relationship with American Home Products and Wyeth-Ayerst on Wyeth Medica Ireland's new one-million-square-foot biotechnology campus in Ireland — creating Europe's largest integrated biotech campus. This expansion reflects growing market demand by accommodating new product development and manufacturing in several diverse therapy areas.

For Genentech España in Porriño, Spain, we provide complete project services for a facility conversion to produce Rituxan®, the first monoclonal antibody licensed for the treatment of cancer in the United States. Through multi-office execution, we combine our U.S. expertise in Genentech's antibody processes, European biotech project execution, and local permitting to ensure smooth communication and schedule compliance on this fasttrack project. For Ireland's Blood Services Board, we performed project management and design services for the new 120,000-square-foot Irish National Blood Transfusion Headquarters — the most modern facility of its type in the world. Further development of biotechnology-derived products and possibilities of genomic data on new drug development indicate strong, sustained growth in the industry. Bulk pharmaceutical producers are currently investing in the U.S., Europe, Puerto Rico, and Singapore. With global presence, novel project delivery approaches, and technical innovations, we continue to create flexible, technology-specific facilities and delivery systems to meet our clients' rapidly changing needs.

“Jacobs met with universal acclaim within our business for their major contribution towards designing, constructing, and commissioning a highly demanding plant extension within 9 months of sanction and, at the same time, maintaining the key existing plant in full operation for 75% of the time. Jacobs demonstrated that such things are possible through teamwork and commitment by all involved.”

GEOFF WOOLLARD

Project Manager

AstraZeneca Pharmaceuticals,
Macclesfield, England



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OIL & GAS

1. *Texaco Midway Sunset, Fellows, California*
2. *BP, Jones Creek, Freeport, Texas*
3. *Nederlandse Aardolie Maatschappij (NAM), The Netherlands*
4. *ExxonMobil La Barge, La Barge, Wyoming*



2

This market is very strong — declining oil & gas supplies, robust prices, and rising demand drove owners to increase capital spending by nearly 30 percent over 1999. Mergers and consolidations have tightened competition, with owners contending with localized labor shortages overlapping from refining capacity demands. We help our clients address these challenges and increase capacity cost-effectively through innovative gas processing and treating solutions, flexible resource base, modular fabrication, and sharing work with our low-cost design centers.

As part of a consortium for Shell/Esso (Nederlandse Aardolie Maatschappij), we are upgrading as many as 29 gas production facilities totaling 300 production wells on the Groningen Gas Field in The Netherlands. Services include design, procurement, construction, and 25 years of maintenance on this \$1.75 billion capital program. We implemented an information management system to maximize repeatability benefits during the 25-year contract period.

We designed Esso Production Malaysia Inc.'s (EPMI) 8600-metric ton Larut A Central Processing Platform, one of their most complicated topsides located two hundred kilometers off Peninsular Malaysia. The unique single-platform concept integrates drilling, production, compression, power generation, utilities, and living quarters, making marginal production economically feasible in this remote location. Using 3D computer-assisted design, we supported EPMI's schedule requirements by developing the issue for bid package within 13 months.

For Chevron U.S.A. Production Company, we perform ongoing general oil field maintenance and construction in three operating sites located in central California's San Joaquin Valley. Continually committed to their incident-free workplace goal of Target Zero, last year we achieved 225,000 workhours in eight months without a recordable injury. Through our Alliance agreement, we are directly involved in cost-cutting initiatives and process improvements that have contributed to Chevron's operating cost reductions at those sites.

Experts say oil & gas demands will drive capital spending in this market until late 2002, with continued international investment. With centers of excellence including the U.S. Gulf Coast, Northern Europe, and Southeast Asia, we are there for our clients as they expand their gas exploration and production worldwide.



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“With the Tjuchem rejuvenation project, we successfully developed execution strategies and technologies that are sufficiently forward looking, innovative and upgradable, so that by the end of renovation of the first 11 locations, they are still considered state of the art. The special nature of this Groningen Long Term Project, i.e., strategic, long term and repetitive was well understood by the Jacobs people who through the engineering and design contributed to the success.”

Henk Niesen

Project Manager

Nederlandse Aardolie Maatschappij,

The Netherlands



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FOOD & CONSUMER PRODUCTS

1. Kellogg's, Memphis, Tennessee
2. Miller Brewery, Milwaukee, Wisconsin
3. SmithKline Beecham, Sonapat, Haryana, India
4. Coors Brewing Company, Golden, Colorado



With recent consolidations in the food industry, owners must reconfigure new facilities and product lines, address environmental regulations, and speed production in this competitive market. Also, both labor shortages and convenience food trends demand more automation in food processing. We help our core clients address these issues in several multi-site alliances — applying specialized process expertise, regulatory knowledge, and flexible resources.

Our relationship with Kellogg's has broadened to a full-service Global Alliance Agreement this year, covering project work in North America, Europe, Latin America, and Asia Pacific. Performing capital project management and engineering for ready-to-eat cereal, convenience, and natural functional food lines, we worked closely with Kellogg's to optimize their annual capital program. Through this Alliance, we've realized a step change improvement in project delivery and asset reductions for Kellogg's. Keebler required fasttrack compliance audits and property assessments for due diligence efforts prior to a large multi-plant acquisition; our quick response allowed them to make the timely decisions required. Their confidence earned us a master services agreement, under which we now provide environmental compliance, process, and sanitary design services at 18 of Keebler's U.S. facilities. For our responsiveness and reliability on this and other short-fuse work, they recently gave us a 100 percent rating for overall client satisfaction.

For Coors Brewing Company, we completed six packaging projects in an unprecedented 10 months, allowing them to meet critical market demands. Coors' satisfaction resulted in a formal multi-site alliance for project work across the U.S. We also provided project and construction management services for SmithKline Beecham Consumer Healthcare's (SBCH) new Horlicks nutritional malt food facility in north India. In addition to meeting all SBCH's project expectations, they are delighted with our outstanding site safety record: more than 4 million hours worked without a lost-time accident.

Ahead, our clients will continue consolidation activities — maximizing facility use, integrating multi-site operations, and shifting product lines for greater profitability. Our worldwide process technology expertise and rapid response help our clients meet environmental compliance, automation, sanitary design, and packaging technology objectives.

"Jacobs is always there for me. We've acquired a number of additional bakeries over the years and the Jacobs team is always available, even at a moment's notice, to respond to our environmental compliance needs. That's why I gave them a 100% rating on the last Client Survey. I know I can find the right individual for the job, no matter what the issue — air permits, wastewater discharges, underground storage tanks, stormwater management — it doesn't matter. I even call on them for process and sanitation engineering."

JOE BRUNGARDT

Director, Corporate Engineering

Keebler Company, Elmhurst, Illinois



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TELECOMMUNICATIONS & SEMICONDUCTOR

1. Cypress Semiconductor, Bloomington, Minnesota
2. Xerox Complex, Dublin, Ireland
3. IBM/Thomas J. Watson Research Center, Yorktown Heights, New York
4. Sun Microsystems, Newark, California



This past year brought renewed strength to this market, with information technology activities increasing demand for more chips in servers, access systems, and networks. Rapid technology turnover and fierce competition drive our semiconductor clients to new 300mm and 0.13 geometry technologies, and shorter fab delivery times. Using extensive fab experience and worldwide resources to strengthen and expand our client base, we saw a 200 percent increase in fab-related work.

For Cypress Semiconductor in Minnesota, we executed a complete retrofit and upgrade of Fab 3C/4 to 200mm wafer fabrication. Cypress' objectives required an extreme fasttrack schedule to convert this fab, without impacting operations in the existing two adjacent fabs. We worked around the clock for three months, setting up authorized work order systems with the production and facilities group to coordinate construction activities with current operations. To the delight of our client, we went from demolition to Class 1 cleanroom certification in a record five months, helping Cypress achieve their highest earnings quarter to date.

In France, we are providing engineering, procurement, and construction management for STMicroelectronics/Philip's new 24,000-square-meter semiconductor production facility. This plant will produce microchips for use in the telecommunications, automotive, and defense industries. Responding to our client's goals for both increased production capacity and faster speed-to-market, we modified original project design and construction plans to accelerate the schedule with overlapping phases.

We also support semiconductor fabrication activities for a number of confidential clients worldwide. Work includes tool installation, basebuild, process systems design, and construction management on grassroots and retrofit projects alike.

We see this market continuing to expand over the next couple of years, although the spike this year should level out to a more consistent growth pattern, particularly in the latter part of 2001. Our clients are planning several new fabs in the U.S. and possibly in Europe. In addition to these major endeavors, we continue supporting our clients' sustaining capital projects to help maximize their facility investment returns in this cyclic market.

"Over the last 6 years we've come to depend on Jacobs' design and construction management skills to successfully deliver our large capital projects. This relationship once again proved its value, delivering one of our most difficult projects to date, the Fab 3/4C conversion within extremely tight schedule constraints without impacting production of adjacent manufacturing."

DAVID E. SMITH

Director, Corporate Facilities

Cypress Semiconductor

Bloomington, Minnesota



FINANCIAL PERSPECTIVE

“We continue to view Jacobs as one of the best managed companies in the industry. The company is well positioned in a diversified group of market segments (petroleum, chemical, petrochemical, pharmaceutical, semiconductor, pulp & paper, and environmental) with a strong standing among its core client base.”

RICHARD F. ROSSI, *ING Barings*

(January 20, 2000)

“We believe Jacobs continues to be an undervalued, outstandingly-run company. Jacobs has posted double digit compound annual EPS growth for more than a decade!”

TOBIAS M. LEVKOVICH, *Salomon Smith Barney*

(April 25, 2000)

“Jacobs’ time-tested low-cost, low-risk client penetration model, as well as its diverse array of customers, provide for a level of visibility and comfort not seen at many of the other global engineering contractors.”

MICHAEL S. DUDAS, *CFA, Bear, Stearns & Co. Inc.*

(October 2000)

“We view Jacobs as the highest-quality of the traditional E&C firms. We think it is the only one to truly have its operations and its balance sheet under control.”

FRITZ VON CARP, *CFA, Merrill Lynch*

(November 3, 2000)

FORWARD-LOOKING STATEMENTS AND OTHER SAFE HARBOR APPLICATIONS

Statements included in this 2000 Summary Annual Report that are not based on historical facts are “forward-looking statements,” as that term is discussed in the Private Securities Litigation Reform Act of 1995. Such statements are based on management’s current estimates, expectations and projections about the issues discussed, the industries in which the Company operates and the services it provides. By their nature, such forward-looking statements involve risks and uncertainties. The Company cautions the reader that a variety of factors could cause business conditions and results to differ materially from what is contained in its forward-looking statements. These factors include, but are not necessarily limited to, the following: increase in competition by foreign and domestic competitors; availability of qualified engineers and other professional staff needed to execute contracts; the timing of new awards and the funding of such awards; the ability of the Company to meet performance or schedule guarantees; cost overruns on fixed, maximum or unit priced contracts; the outcome of pending and future litigation and governmental proceedings; the cyclical nature of the individual markets in which the Company’s customers operate; the successful closing and/or subsequent integration of any merger or acquisition transaction; and the amount of any contingent consideration the Company may be required to pay in the future in connection with the Sverdrup merger (including the availability of financing that may be required). The preceding list is not all-inclusive, and the Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Readers of this 2000 Summary Annual Report should also read the Company’s most recent Annual Report on Form 10-K (including the Management’s Discussion and Analysis contained therein) for a further description of the Company’s business, legal proceedings and other information that describes factors that could cause actual results to differ from such forward-looking statements.

Consolidated Summary Financial Statements

MANAGEMENT'S COMMENTS ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The financial statements and other financial information included in this summary annual report were derived from the Company's audited, consolidated financial statements. The Company's 2000 consolidated financial statements, together with the notes thereto, appear as an exhibit to the proxy statement for the Company's 2001 Annual Meeting of Shareholders. Management is responsible for the preparation of the Company's consolidated financial statements as well as the financial information appearing in this summary annual report.

The Company's consolidated financial statements were audited by Ernst & Young LLP, independent auditors. Their report on those consolidated financial statements is also contained in the exhibit to the proxy statement described above.

REPORT OF THE INDEPENDENT AUDITORS

The Board of Directors and Shareholders

Jacobs Engineering Group Inc.

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheets of Jacobs Engineering Group Inc. and subsidiaries at September 30, 2000 and 1999 and the related consolidated statements of earnings, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended September 30, 2000 (not presented separately herein) and in our report dated October 31, 2000, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

The signature is written in a dark blue, cursive script. It reads "Ernst & Young LLP". The "E" is large and loops around the "&". The "Y" is also large and loops around the "o". The "LLP" is written in a more compact, cursive style.

Los Angeles, California

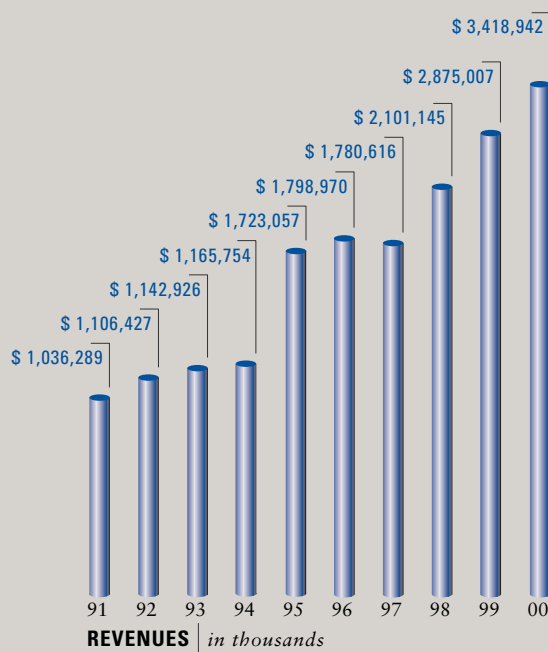
October 31, 2000

SELECTED FINANCIAL DATA

For Fiscal Years Ended September 30 (In thousands, except per-share information)

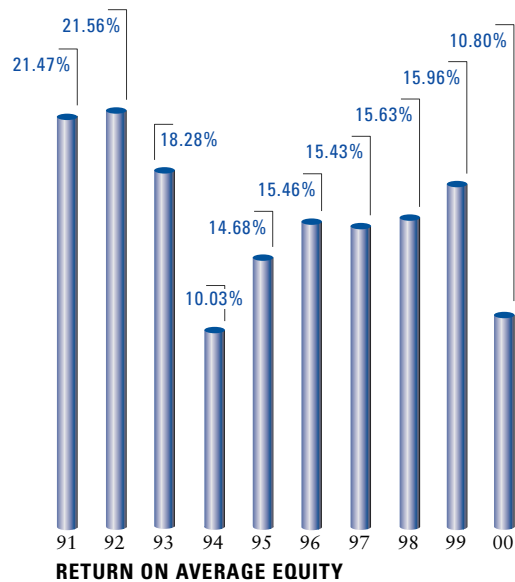
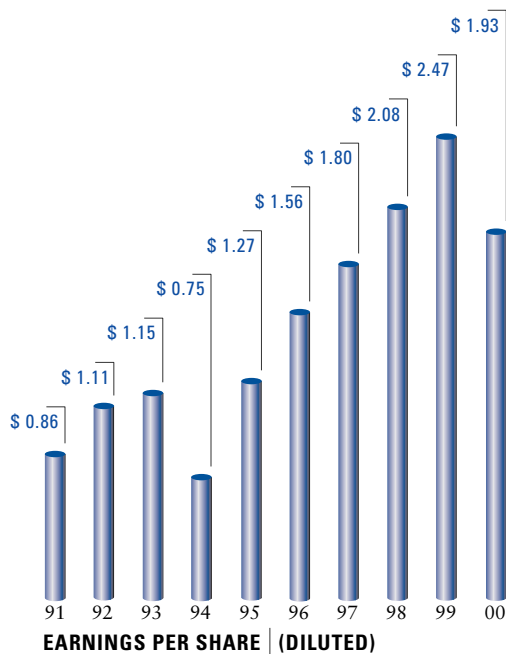
	2000	1999	1998	1997
Results of Operations:				
Revenues	\$ 3,418,942	\$ 2,875,007	\$ 2,101,145	\$ 1,780,616
Net earnings	50,981	65,445	54,385	46,895
Financial Position:				
Current ratio	1.24 to 1	1.25 to 1	1.54 to 1	1.56 to 1
Working capital	\$ 167,160	\$ 144,638	\$ 197,659	\$ 178,203
Current assets	851,023	729,620	566,007	497,361
Total assets	1,384,376	1,220,186	807,489	737,643
Long-term debt	146,820	135,371	26,221	54,095
Stockholders' equity	495,543	448,717	371,405	324,308
Return on average equity	10.80 %	15.96 %	15.63 %	15.43 %
Backlog:				
Professional technical services	\$ 2,375,300	\$ 1,760,000	\$ 1,004,500	\$ 912,057
Total	5,430,100	4,448,200	3,329,500	3,050,000
Per share Information:				
Basic EPS	\$ 1.95	\$ 2.54	\$ 2.12	\$ 1.82
Diluted EPS	1.93	2.47	2.08	1.80
Stockholders' equity	18.72	16.95	14.23	12.48
Average Number of Common and Common Stock Equivalents				
Outstanding (Diluted)	26,473	26,478	26,096	25,989

Net earnings for fiscal 2000 includes an after-tax charge of \$23,749, or \$0.89 per diluted share, relating to the settlement of certain litigation.



1996	1995	1994	1993	1992	1991
\$ 1,798,970 40,360	\$ 1,723,057 32,242	\$ 1,165,754 18,767	\$ 1,142,926 28,670	\$ 1,106,427 26,605	\$ 1,036,289 20,385
1.68 to 1	1.44 to 1	1.41 to 1	1.61 to 1	1.56 to 1	1.41 to 1
\$ 155,569	\$ 113,339	\$ 106,058	\$ 100,688	\$ 92,706	\$ 60,580
383,644	368,614	367,485	264,949	258,206	206,576
572,505	533,947	504,364	351,020	316,731	260,142
36,300	17,799	25,000	-	-	-
283,387	238,761	200,433	173,797	139,813	106,936
15.46 %	14.68 %	10.03 %	18.28 %	21.56 %	21.47 %
\$ 845,300	\$ 828,400	\$ 793,060	\$ 736,600	\$ 647,100	\$ 457,300
2,750,200	2,625,000	2,500,000	1,858,600	1,760,000	1,605,000
\$ 1.58	\$ 1.28	\$ 0.75	\$ 1.17	\$ 1.14	\$ 0.89
1.56	1.27	0.75	1.15	1.11	0.86
10.93	9.41	7.96	6.96	5.81	4.50
25,921	25,384	25,173	24,964	24,070	23,763

Net earnings for fiscal 1994 included special charges totaling \$10,200, or \$0.40 per diluted share. Net earnings for fiscal 1992 included a net gain of \$2,118, or \$0.09 per diluted share, from the sale of 40% of the Company's holdings of the common stock of Genetics Institute, Inc.



CONSOLIDATED BALANCE SHEETS

September 30, 2000 and 1999 (In thousands, except share information)

	2000	1999
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 65,848	\$ 53,482
Receivables	710,979	586,005
Deferred income taxes	61,968	76,405
Prepaid expenses and other	12,228	13,728
Total current assets	851,023	729,620
Property, Equipment and Improvements, Net	150,491	139,653
Other Noncurrent Assets:		
Goodwill, net	269,043	245,451
Other	113,819	105,462
Total other noncurrent assets	382,862	350,913
	\$ 1,384,376	\$ 1,220,186
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	\$ 18,460	\$ 9,465
Accounts payable	224,063	186,287
Accrued liabilities	274,991	281,967
Customers' advances in excess of related revenues	145,708	93,303
Income taxes payable	20,641	13,960
Total current liabilities	683,863	584,982
Long-term Debt	146,820	135,371
Other Deferred Liabilities	52,946	44,988
Minority Interests	5,204	6,128
Commitments and Contingencies		
Stockholders' Equity:		
Capital stock:		
Preferred stock, \$1 par value, authorized - 1,000,000 shares, issued and outstanding - none	-	-
Common stock, \$1 par value, authorized - 60,000,000 shares, issued and outstanding – 26,386,238 and 26,142,992 shares, respectively	26,386	26,143
Additional paid-in capital	79,352	68,049
Retained earnings	400,791	358,958
Accumulated other comprehensive loss	(10,515)	(3,595)
	496,014	449,555
Unearned compensation	(471)	(838)
Total stockholders' equity	495,543	448,717
	\$ 1,384,376	\$ 1,220,186

CONSOLIDATED STATEMENTS OF EARNINGS

For the Years Ended September 30, 2000, 1999 and 1998 (In thousands, except per-share information)

	2000	1999	1998
Revenues	\$ 3,418,942	\$ 2,875,007	\$ 2,101,145
Costs and Expenses:			
Direct costs of contracts	(2,983,247)	(2,477,678)	(1,830,618)
Selling, general and administrative expenses	(311,082)	(289,034)	(184,043)
Operating Profit	124,613	108,295	86,484
Other (Expense) Income:			
Interest income	3,961	3,031	5,092
Interest expense	(11,420)	(8,767)	(2,356)
Miscellaneous income (expense), net	2,168	1,963	(436)
Provision for litigation settlement	(38,000)	-	-
Total other (expense) income	(43,291)	(3,773)	2,300
Earnings Before Taxes	81,322	104,522	88,784
Income Tax Expense	(30,341)	(39,077)	(34,399)
Net Earnings	\$ 50,981	\$ 65,445	\$ 54,385
Net Earnings Per Share:			
Basic	\$ 1.95	\$ 2.54	\$ 2.12
Diluted	\$ 1.93	\$ 2.47	\$ 2.08

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2000, 1999 and 1998 (In thousands)

	2000	1999	1998
Cash Flows from Operating Activities:			
Net earnings	\$ 50,981	\$ 65,445	\$ 54,385
Depreciation and amortization of property, equipment and improvements	33,192	26,259	20,847
Amortization of goodwill	6,906	5,327	2,337
Other adjustments to net earnings (primarily changes in the working capital accounts)	(9,778)	(13,519)	14,134
Net cash provided by operating activities	81,301	83,512	91,703
Cash Flows from Investing Activities:			
Acquisitions of businesses, net of cash acquired	(27,284)	(201,052)	-
Additions to property and equipment	(44,369)	(38,970)	(46,335)
Disposals of property and equipment	3,357	4,926	26,766
Net sales of marketable securities	-	16,482	4,648
Other, net	(38,409)	(2,025)	5,301
Net cash used for investing activities	(106,705)	(220,639)	(9,620)
Cash Flows from Financing Activities:			
Net proceeds (repayments) of long-term borrowings	25,656	73,193	(29,264)
Other, net	17,191	19,436	(7,413)
Net cash provided (used) by financing activities	42,847	92,629	(36,677)
Effect of Exchange Rate Changes	(5,077)	(3,348)	(70)
Increase (Decrease) in Cash and Cash Equivalents	12,366	(47,846)	45,336
Cash and Cash Equivalents at Beginning of Period	53,482	101,328	55,992
Cash and Cash Equivalents at End of Period	\$ 65,848	\$ 53,482	\$ 101,328
Other Cash Flow Information:			
Interest paid	\$ 11,820	\$ 8,960	\$ 2,517
Income taxes paid	19,527	45,460	26,241

OFFICE LOCATIONS & SHAREHOLDER INFORMATION

OPERATIONS OFFICES

Anchorage, AK 907.563.3322	Denver, CO 303.462-7000	Long Beach, CA 562.595.1995	Philadelphia, PA 610.238.1000
Antwerp, Belgium 32.3.540.9411	Detroit, MI 248.305.9800	Madrid, Spain 34.91.353.51.00	Phoenix, AZ 602.212.5000
Arlington, VA 703.351.4200	Dublin, Ireland 353.1.269.5666	Magdeburg, Germany 49.39.17.3850	Portland, OR 503.624.3000
Bangkok, Thailand 66.2.264.2647	Ft. Walton Beach, FL 850.863.7700	Manchester, England 44.161.741.7800	Raleigh, NC 919.859.5000
Baton Rouge, LA 225.769.7700	Glasgow, Scotland 44.141.332.8645	Maryland Heights, MO 314.436.7600	Rotterdam, The Netherlands 31.10.243.8439
Boston, MA 617.742.8060	Green Bay, WI 920.336.7786	Meerssen, The Netherlands 31.43.365.2500	Sacramento, CA 916.922.8600
Canberra, Australia 61.2.6230.6972	Greenville, SC 864.676.6000	Mexico City, Mexico 52.52.840.200	St. Louis, MO 314.436.7600
Charleston, SC 843.824.1100	Houston, TX 832.351.6000	Milan, Italy 390.2.250.981	Santiago, Chile 56.2.228.9596
Chicago, IL 312.416.0990	Indianapolis, IN 317.248.8222	Mumbai, India 91.22.824.4873	Seattle, WA 425.452.8000
Cincinnati, OH 513.595.7500	Irvine, CA 949.476.2900	New York, NY 212.268.1500	Singapore, Singapore 65.890.1960
Cork, Ireland 353.214.515.777	Kuala Lumpur, Malaysia 60.3.21.63.0518	Oak Ridge, TN 865.220.4800	Tampa, FL 813.977.3434
Costa Mesa, CA 714.549.5050	Lakeland, FL 941.665.1511	Orlando, FL 407.903.5001	Tullahoma, TN 931.455.6400
Dallas, Texas 214.696.3433	Leiden, The Netherlands 31.71.581.7111	Paris, France 33.1.45.70.50.00	Walnut Creek, CA 925.256.7500
Delhi, India 91.11.684.6500	London, England 44.208.688.4477	Pasadena, CA 626.578.3500	

SHAREHOLDER INFORMATION

Registrar and Transfer Agent

Mellon Investor Services LLC, South Hackensack, New Jersey

Shareholder Services

Correspondence about share ownership, transfer requirements, changes of address, lost stock certificates, and account status may be directed to:

Mellon Investor Services LLC
P.O. Box 3314
South Hackensack,
New Jersey 07606-1914
800.522.6645
Web site: <http://www.chasemellon.com>

Independent Auditors

Ernst & Young, LLP, Los Angeles, California

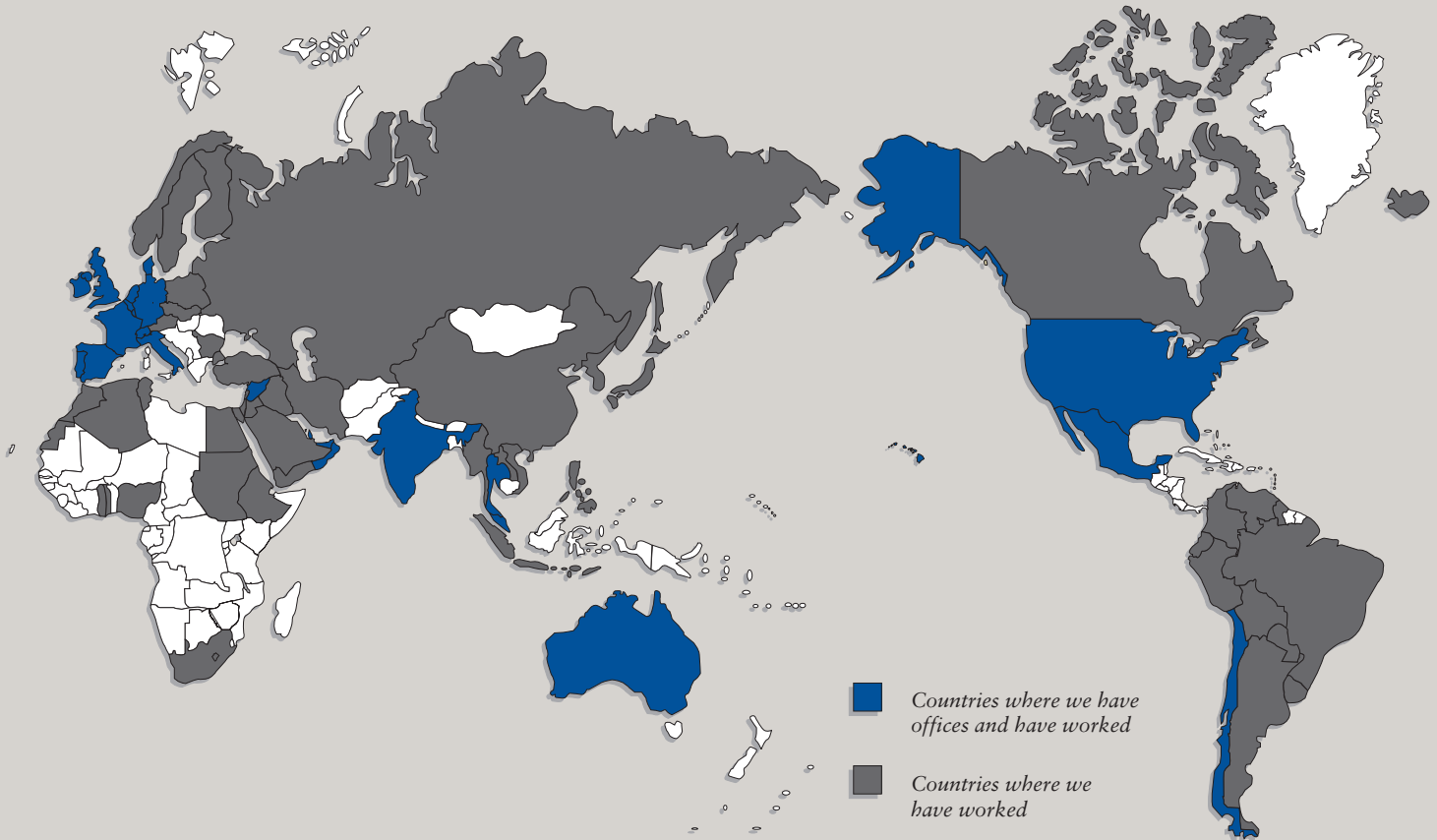
Stockholder Contact

A copy of Jacobs' Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, will be furnished without charge to any stockholder upon written request to:

John W. Prosser, Jr., Senior Vice President, Finance and Administration and Treasurer

Jacobs Engineering Group Inc.
P.O. Box 7084
Pasadena, California 91109-7084
626.578.3500

PROJECT LOCATIONS



THOUGH WE OPERATE IN A DIVERSE BUSINESS CLIMATE, OVERALL OUR WORKLOAD REMAINS STRONG, REFLECTING HEALTHY ECONOMIES IN THE U.S. AND EUROPE; SOUTHEAST ASIA AND INDIA CONTINUE TO RECOVER.





Jacobs Engineering Group Inc.
1111 S. Arroyo Parkway 91105
Post Office Box 7084
Pasadena, California 91109-7084
Telephone 626.578.3500

