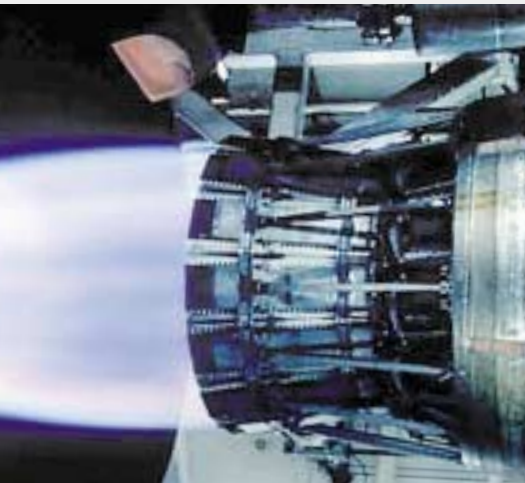




**2001  
Summary  
Annual Report**





THE AEDC TEAM — OF WHICH JACOBS IS THE TEST, OPERATIONS, AND MAINTENANCE CONTRACTOR — PROVIDED DEVELOPMENTAL ANALYSIS DATA FOR STATE-OF-THE-ART AIRCRAFT ENGINES, SATELLITE SYSTEMS, AND AERODYNAMICS VEHICLES. IN PARTICULAR, RELIABILITY HAS INCREASED WHILE MAINTENANCE HAS DECREASED ON AIR FORCE ENGINES BECAUSE OF THE COMPONENT IMPROVEMENT PROGRAM BEING RUN AT ARNOLD AFB.

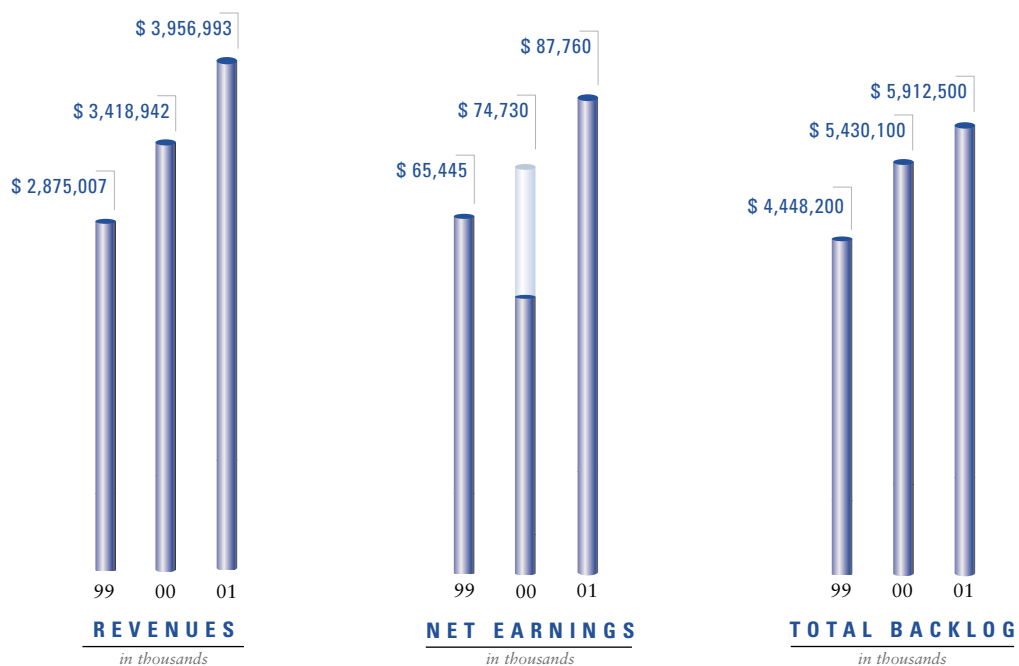
**COLONEL DAVID EICHHORN, AEDC Group General Manager**  
**AEDC, Arnold AFB, Tennessee**

## SELECTED HIGHLIGHTS

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

	2001	2000	1999
Revenues	\$ 3,956,993	\$ 3,418,942	\$ 2,875,007
Net earnings	87,760	50,981	65,445
Per share information:			
Basic EPS	\$ 3.30	\$ 1.95	\$ 2.54
Diluted EPS	3.22	1.93	2.47
Net book value	21.72	18.72	16.95
Closing year-end stock price	62.40	40.3125	32.50
Total assets	\$ 1,557,040	\$ 1,384,376	\$ 1,220,186
Stockholders' equity	591,801	495,543	448,717
Return on average equity	16.14 %	10.80 %	15.96 %
Stockholders of record	1,036	1,115	1,208
Backlog:			
Technical professional services	\$ 2,689,300	\$ 2,375,300	\$ 1,760,000
Total	5,912,500	5,430,100	4,448,200
Permanent staff	20,630	18,800	15,900

Net earnings for fiscal 2000 includes an after-tax charge of \$23.7 million, or \$0.89 per diluted share, relating to the settlement of certain litigation.



Net earnings for fiscal 2000 excludes the effects of the litigation settlement.

## SHAREHOLDERS MESSAGE

*2001 was the best year in our history. We reported revenues of \$4 billion and net income of \$87.8 million (\$3.22 per diluted share), both new records. We reported year-end backlog of \$5.9 billion, which represents an increase of \$500 million over September 30, 2000.*

### STRATEGIC GROWTH

The consolidation trend in our industry continues. In February, we finalized our acquisition of Stork's engineering and contracting business, the second phase of a two-part transaction. Along with geographic diversity in Northern Europe, these operations bring us a solid international presence in the petroleum and chemicals business, with particular strength in upstream oil & gas.

In May we acquired the GIBB portion of the LawGibb Group, now operating under the JacobsGIBB name. JacobsGIBB is a leading international engineering consultant providing expert advice in the fields of transportation, civil and structural engineering, water and wastewater, and infrastructure. With JacobsGIBB's expertise we diversify our business throughout Europe into the publicly-funded sectors, emulating the same successful balanced business mix we practice in the U.S.

These two new resources combine with our existing full-service operations to create one of the largest and most diverse engineering groups in Europe.

In October we established a strong Canadian presence through the acquisition of Calgary-based McDermott Engineers and Constructors Canada Ltd. Now operating under Jacobs Canada Inc. and Jacobs Catalytic Ltd., this company provides engineering, construction, and maintenance services to the upstream oil & gas, petroleum refining, and chemicals businesses.

### MARKET CLIMATE

Western economies are either in or nearing recession. Nevertheless, our overall business remains steady and we have a strong prospect list. Specifically, Pharmaceuticals & Biotechnology, Buildings, Infrastructure, Federal Programs, and Refining were robust in 2001 and look even more promising

for 2002. A strong surge in research & development drives the Pharmaceuticals & Biotechnology industry, with a long list of drugs coming to market. Public spending drives Buildings, Infrastructure, and Federal Programs; these markets remain healthy, particularly in light of recent events. In both Western Europe and the U.S., Refining is being fueled by new regulations to remove sulfur from gasoline and clean up the environment, and in some cases add capacity. The Pulp & Paper and Chemicals & Polymers businesses remain at the bottom of their cycles, and the events of September 11 haven't helped. Technology was slow during the latter half 2001, but there is some evidence that it may pick up by mid-2002.

### COMMITMENT TO SAFETY

In addition to delighting our clients, we must provide a safe environment for both our clients and our employees. Already an industry leader, in 2001 we further improved safety in the workplace by 25 percent. We began the fiscal year focusing on a quantum improvement in the reduction of our accident rate, and it is clear we have made some headway. However, we are nowhere near as good as we want or need to be. Our objective is to see that even minor accidents will be virtually unheard of in a few years. We intend to set the pace for our industry.

*"The Jacobs organization has a long history of outstanding safety performance. We value the relationship that we have developed with Jacobs. We are gratified that we work with companies like Jacobs that share our vision of a workplace with no injuries or illnesses. We look forward to a continued positive working relationship with Jacobs."*

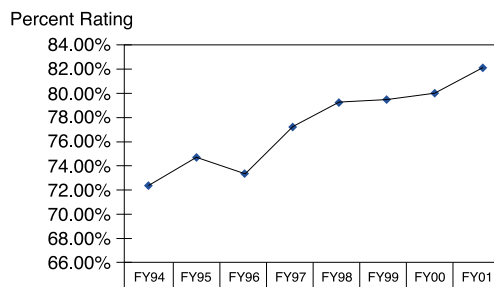
**IRWIN L. LEVOWITZ**  
Vice President Polyethylene Americas  
ExxonMobil Chemicals



## SATISFIED CLIENTS

We are pleased to report that 80 percent of our business comes from long-term clients, and this percentage continues to grow. Our goal to delight these clients drives us to deliver superior performance and continuously improve the quality of services we provide. To accomplish this, we meticulously survey all of our key clients to determine where we can improve our performance, and it has been very effective. By design, we set 66 as the score for good performance. In 1994 we conducted 747 surveys, scoring slightly over 72 percent on average. In 2001 we conducted more than 1,000 surveys with an average score of 82 percent, up by 2 percent from last year. We will not be satisfied until our average survey scores are in the 90 percent range, with zero dissatisfied clients.

### FY01 Client Survey Results



## BOARD LEADERSHIP

One of the strengths of our company is the character of our Board of Directors. Their collective

wisdom is a major contributor to our success. There were several changes to our Board during the course of the year. Bill Kerler, who was an Executive Vice President at Jacobs for many years and later served on the Board, has retired. Joe Alibrandi, who was a major contributor to our Board for 13 years, has also retired. We express our deep appreciation to both Bill and Joe for their wonderful advice over the years.

Bob Davidson and Ben Montoya were elected to our Board of Directors at the 2001 Annual Meeting held in February. Bob is the Chairman and CEO of Surface Protection Industries, a company he founded in 1978. In addition, Bob serves as a board member for Morehouse College, Fulcrum Venture Capital Corporation, and Childrens Hospital Los Angeles. Ben Montoya just retired from the Public Service Company of New Mexico, where he had been President and CEO since 1993. Prior to that Ben had served as Commander, Naval Facilities Engineering Command, and Chief of Civil Engineers, U.S. Navy.

## OUR PATH FORWARD

Today, the world economy remains unsettled, with the end to recession uncertain. However, we have a company with both the technical and geographic diversity to prosper in this business climate. Our stated intent to grow the business an average of 15 percent per year at the bottom line remains unequivocal. Our prospect list remains strong and we see plenty of opportunity ahead. With the continued loyal support of our employees, clients, and shareholders, we will achieve our goals.

JOSEPH J. JACOBS,  
Chairman of the Board

NOEL G. WATSON,  
President & Chief Executive Officer

## BOARD OF DIRECTORS



**NOEL G. WATSON**  
*Director, President and  
Chief Executive Officer*

**JOSEPH J. JACOBS**  
*Chairman of the Board*



**DALE R. LAURANCE**  
*Director (President, Occidental  
Petroleum Corporation)*

**PETER H. DAILEY**  
*Director (Chairman of Enniskerry Financial;  
Former U.S. Ambassador to Ireland)*

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

**BENJAMIN F. MONTOYA**  
*Director (Retired. Former Commander,  
Naval Facilities Engineering Command)*



**RICHARD E. BEUMER**  
*Vice Chairman of the Board*

**LINDA FAYNE LEVINSON**  
*Director (Partner of GRP Partners; Former Partner,  
McKinsey and Co.)*

**JAMES L. RAINEY, JR.**  
*Director (Retired President and CEO  
of Farmland Industries)*



**ROBERT B. GWYN**  
*Director (Retired. Former CEO and Chairman  
of Agricultural Minerals and Chemicals)*

**LINDA K. JACOBS**  
*Director (President, Middle East  
Technology Assistance)*

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

**ROBERT C. DAVIDSON, JR.**  
*Director (Chairman and Chief Executive Officer,  
Surface Protection Industries, Inc.)*

## BOARD OF DIRECTORS & EXECUTIVE MANAGEMENT

## EXECUTIVE MANAGEMENT



(back row - left to right)

**H.G. SCHWARTZ, JR.**  
Group Vice President, Civil

**WARREN M. DEAN**  
Group Vice President, Facilities

**MICHAEL J. HIGGINS**  
Group Vice President, Civil

(seated - left to right)

**ROGERS F. STARR**  
President, Sverdrup Technology, Inc.

**ROBERT M. CLEMENT**  
Group Vice President, International Operations



(back row - left to right)

**ANDREW E. CARLSON**  
President, Jacobs Construction Services, Inc.

**WALTER C. BARBER**  
Group Vice President, Asia

**PHILIP J. STASSI**  
Group Vice President, Western Region

(seated - left to right)

**JAMES W. THIESING**  
Group Vice President, Federal Operations

**GEORGE A. KUNBERGER**  
Group Vice President, Northern Region



(back row - left to right)

**MICHAEL P. MILLER**  
Senior Vice President, Information Technology

**ROBERT T. McWHINNEY**  
Group Vice President, Consulting Operations

**ALLYN B. TAYLOR**  
Group Vice President, Southern Region

(seated)

**PETER M. EVANS**  
Group Vice President, Central Region



(back row - left to right)

**LAURENCE R. SADOFF**  
Senior Vice President, Quality & Safety

**WILLIAM C. MARKLEY, III**  
Senior Vice President, General Counsel and Secretary

**NAZIM G. THAWERBHOY**  
Senior Vice President, Controller

**STEPHEN K. FRITSCHLE**  
Group Vice President, Field Services

(seated)

**GREGORY J. LANDRY**  
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)

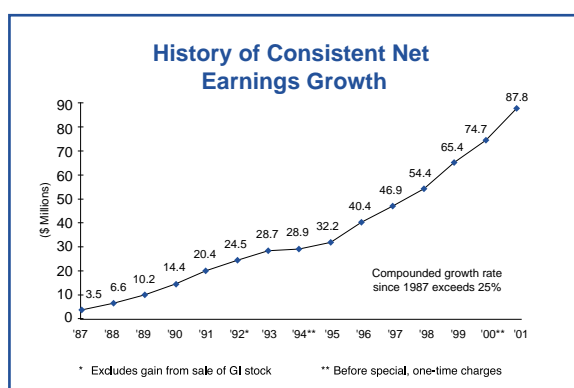
**JOHN W. PROSSER, JR.**  
Senior Vice President, Finance & Administration

**CRAIG L. MARTIN**  
Executive Vice President, Global Sales

In this difficult economic and political climate, there is an understandable tendency for companies to reassess and focus inwardly. However, we believe that by consistently following our business model, we can reach outward to help our clients navigate these challenging times. Our approach is firmly grounded in three core values:

- *Growth is an imperative;*
- *We are a relationship-based company; and*
- *People are our greatest asset.*

These core values translate into goals designed to serve our clients, as well as our shareholders and employees. For example, we are committed to increase profits by 15 percent per year on average, a goal we have met or exceeded over the years.



Using our relationship-based approach, we meet our clients' needs by growing in three distinct ways:

- *Expanding geographically;*
- *Broadening our service base; and*
- *Branching out into new markets.*

## GEOGRAPHIC GROWTH

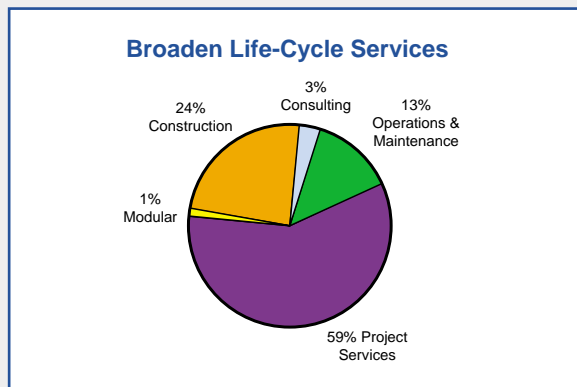
In the beginning we worked primarily in the U.S., periodically executing major projects abroad. As we grew, our approach to international work shifted from project-driven to relationship-driven. Our clients determine our geographic targets, as we position ourselves to support their growth objectives through our multi-domestic model. We do this by taking locally focused offices in the regions where our clients do business, and ensuring that these offices thrive and serve their local clients well. We also bring in work from our major global clients, applying disciplined work practices and large project expertise to grow these offices into self-sustaining, full-service operations. By integrating these offices with our global network, our clients benefit in two ways. First, they trust in our consistent approach, which reduces their risk with time-proven, disciplined processes. Second, they enjoy specialized expertise available from our local personnel, combined with our global knowledge of industry best practices. A good example of this is our Milan office. Joining us as part of an acquisition, Milan was a small office serving local facility clients. Integrating our business model, we successfully executed three major projects for a core pharmaceutical client from this office. We soon expanded into new markets, broadened our service capabilities, and increased the Milan staff five-fold. Several of our major pharmaceutical and chemical clients now benefit from this local yet familiar presence as they expand their business in southern Europe.

## A BALANCED APPROACH TO CONSISTENT GROWTH



## SERVICE GROWTH

Dr. Jacobs founded our company by providing engineering consulting services. Anticipating and responding to our clients' needs, we grew these relationships by expanding our service base. Today one of the best yardsticks of our success is the percentage of our clients' capital and maintenance needs that we fulfill — with the goal to be the predominant provider. Ultimately, this life-cycle continuity decreases our clients' project risk; drives down sales and learning curve costs; and makes us better business partners with our clients.



Our consulting arm, Jacobs Consultancy, reflects this direction. In addition to providing project services, we help our clients set and meet their business objectives as they navigate through the challenges of consolidation, competition, and globalization. On the other end of the spectrum, our 10,000-person field maintenance staff helps our clients cost-effectively increase the uptime and reliability of their facilities.

## MARKET GROWTH

Early in our history we targeted just a few markets, but soon recognized the value of diversification. This expansion benefits our clients in several ways. By applying best practices gleaned

from different industries, we transfer technology and continuously improve both quality and safety performance. Also, we balance our resources across fluctuating markets, stabilizing our workforce to improve response time to our clients. Finally, we position ourselves to help our clients as they grow. For example, from our five-decade experience base in hydrocarbons, we saw the need to grow into the upstream oil & gas market to better serve our existing clients. With the acquisition of Stork and the Canadian arm of McDermott Engineers, we are even better positioned to support our global clients like Shell, ChevronTexaco, and ExxonMobil (among others), whose core business spans both upstream and downstream.

## ADDING VALUE THROUGH GROWTH

Our approach creates a stable yet ever-growing resource base for our clients. We continuously add value to them by:

- *Broadening our services to readily meet their needs;*
- *Expanding our geographic presence to serve them worldwide; and*
- *Applying diverse market experience to bring them best practices.*

Growth also serves our other stakeholders. For investors, we offer a resilient revenue stream that evens out individual market fluctuations, reducing risk. Since 1998, we have nearly doubled our revenues, yet balanced our market portfolio. For employees, we provide stable employment, enhanced tools, and greater career opportunities. In a world of rapid and unpredictable change, we believe that by staying true to our core values and balanced business approach, we can best serve our clients, shareholders, and employees.



## PHARMACEUTICALS & BIOTECHNOLOGY

1. Wyeth Pharmaceuticals, Singapore
2. Schering-Plough, Singapore
3. AstraZeneca, Waltham, Massachusetts
4. GlaxoSmithKline, Evreux, France

2





## PHARMACEUTICALS & BIOTECHNOLOGY

This prosperous market is dramatically shifting from chemically-derived to biotechnology-derived products. With hundreds of therapeutic proteins poised for clinical trials worldwide, owners compete for dominance — often overlapping new product development to compress the normal 5- to 6-year conceptualization-to-manufacturing cycle. Customizing our innovative project execution strategies, we help clients push project initiation later into Phase III trials — minimizing risk, lowering costs, and improving speed to market.

We are currently working with Genzyme, a premier biotechnology company, to expand and upgrade capacity at their existing bulk manufacturing facility in Belgium. We also performed engineering and construction management for their new secondary manufacturing facility in Ireland. We serve Pfizer Inc., a leading global pharmaceutical company, at their sites worldwide, with ongoing work in Asia, the U.K., Ireland, and France. For example, we provided engineering and construction management services on a large-scale active pharmaceutical ingredient (API) manufacturing facility in Singapore — Pfizer's first in this location. We currently support nearly one billion dollars in pharmaceutical projects for Pfizer and other major clients from our Asian regional headquarters in Singapore.

We provided design and engineering services, procurement assistance, and construction supervision to Cadila Pharmaceuticals Limited for their new Hepatitis-B and multipurpose drug plants in India. Our successful performance earned us additional work for Cadila.

In response to continually growing demand for one of their important respiratory medications, GlaxoSmithKline is augmenting their production capabilities in France. To achieve new production line commissioning in early 2002, we are providing engineering, procurement, and construction management services for this extremely fast-track project.

We provided engineering, procurement, and construction management for Roche on their new manufacturing facility in Colorado, which was designed to produce commercial quantities of an investigational anti-HIV compound. Our in-depth knowledge of fast-track pharmaceutical manufacturing design helps make this new class of pharmaceuticals available to meet market needs.

The advent of human genome mapping heralds an even greater surge of new biotechnology-derived products. We have strategically developed our services capability to meet the project execution needs of our clients for new biotech and pharmaceutical manufacturing facilities for the foreseeable future.



*“The focus and efforts put forth by Jacobs resulted in a seamless Bayer/Jacobs team that got their arms around the project scope and schedule, keeping the overall project on track.”*

**ACHIM NOACK**

**Executive Vice President**

**Bayer Corporation,**

**Pittsburgh, Pennsylvania**





1

## INFRASTRUCTURE

1. City of Cedar Rapids, Eastern Iowa Airport
2. Detroit Metro Wayne County Airport, Michigan
3. ABN AMRO, Second Tagus Crossing, Portugal
4. Richmond – San Raphael Bridge, California

2





## INFRASTRUCTURE

U.S. infrastructure work continues to boom, as federal funding fuels transportation improvements nationwide. Our international clients are also investing heavily in infrastructure upgrades and renovations, particularly in rail, aviation, and water utilities.

We are performing final fieldwork on the \$1.3 billion Metro Red Line, Segment 3 North Hollywood Extension in Los Angeles. Our construction management efforts helped this project come in well under budget and 6 months ahead of schedule. With a record-breaking daily ridership averaging 120,000 passengers, this metro rail extension is succeeding well beyond our client's expectations.

We work with the City of Atlanta's Department of Aviation on a \$5.4 billion Hartsfield Development Program for the Hartsfield Atlanta International Airport. As the lead firm of a limited liability company, our on-site project team affords our client immediate access to a complete range of construction and aviation-related services.

We are lead consultant and project manager in a joint venture on the Large Hadron Collider project for the European Organization for Nuclear Research (or CERN), the world's largest particle physics center. The project involves creating large caverns, tunnels, shafts, a major equipment assembly building, and other structures for innovative new particle acceleration and detection equipment. To meet the lab's scientific objectives for this facility, the infrastructure must adhere to stringent design criteria for temperature, humidity, and vibration control.

We provided comprehensive design services on a new \$600 million Air Traffic Control Center in Scotland that regulates 650,000 square miles of airspace over Scotland and the North Atlantic. The design of the landmark 15,000-square-meter facility met stringent safety requirements. Other features include uninterruptible power supplies, close temperature and humidity control, and full system redundancy to ensure safe, secure, round-the-clock air traffic control.

In addition to new projects, ahead we see our clients rehabilitating existing infrastructure and installing or upgrading security at key facilities. Globally, our strongest sectors in 2002 will be highways, transit, water conveyance, and rehabilitation and/or expansion of existing facilities. We also expect to significantly broaden our security-related work.

4



*"Thank you for your dedicated effort on our project. We could not have completed this important project on schedule without you and your incredible desire, positive attitude, and your dedication to the partnership."*

**THOMAS R. ALSPAUGH**

**Senior Project Manager**

**The City of San Diego, California**

3





1

## BUILDINGS

1. Midwestern University, Downers Grove, Illinois
2. Norfolk & Norwich District General Hospital, Norwich, United Kingdom
3. Northwestern High School, Washington, D.C.
4. Lloyd D. George U.S. Courthouse, Las Vegas, Nevada

2





## BUILDINGS

This market was strong in 2001. In particular, public funding boosted capital spending to meet the added focus on improved security, as well as rising needs for schools, courthouses, and institutional facility expansions and renovations. Both in the U.S. and Europe, our management and technical expertise in facilities delivery maximized the value of our clients' capital dollars.

Enhancing U.S. aviation control systems capacity, security, and safety, we completed work on our nationwide contract for architectural-engineering (A-E) services with the Federal Aviation Administration (FAA), delivering more than \$87 million in projects since 1992. Our work helped enhance FAA's ability to safely deal with domestic air traffic. Their confidence in our project effectiveness and advanced design technology earned us a new \$404 million, five-year plus options contract for A-E and design-build services.

We completed our work on the Delaware Department of Prisons' \$135 million Delaware Prison Bond Program with a new 880-bed maximum-security prison. We helped our client overcome several challenges, such as developing a cost-effective concrete material to stabilize the swamp-like site. Overall, we received commendations for our diligence in controlling costs to deliver a modern, safe, secure, and durable facility.

We are performing engineering, procurement, and construction management on a major two-phased expansion and upgrade project for Hopital Foch, one of France's leading private healthcare facilities. As part of their strategy to meet growing service demands, our design includes a new surgical area, intensive care, radiology unit, outpatient and in-patient care, and other hospital service areas.

We are the program manager on Houston Independent School District's (HISD) "Rebuild 2002" Bond Program, helping to address a dire need to repair and renovate their facilities. Our efforts have helped save more than \$100 million, allowing HISD to add 15 percent more schools to the program.

We see strong near-term potential in the Buildings market, worldwide. Continued public support for funding of educational facilities, facility security upgrade needs, healthy relationships with public agencies, and strategic federal infrastructure investment all point to more opportunities in 2002.



*"Your team was able to help HISD save over \$100 million on its original \$678 million program. That money is now being used to renovate additional facilities. Ten schools have been added to the original 69 planned for renovation, modernization, and upgrading — another success story. On behalf of HISD, thank you."*

**RICHARD LINDSAY**  
Senior Project Executive  
HISD, Houston, Texas





## REFINING

1. Koch, Pine Bend, Minnesota
2. CONOCO, Lake Charles, Louisiana
3. ExxonMobil Refinery, Torrance, California
4. HOVENSA, Virgin Islands

2





## REFINING

This market was surprisingly robust in 2001, with spot product shortages and demands for cleaner fuels. Owners continue to focus on ever-increasing regulatory compliance projects. We support our clients through many formal and informal capital and maintenance alliances, customizing our disciplined work processes to consistently save them time and money.

Through our alliance with Koch, we managed the design, procurement, and construction of a new hydrogen plant in Minnesota on an aggressive schedule. This plant will help Koch meet increased demands for clean fuels by increasing their hydrogen capacity. Tight, above-grade conditions characterized mechanical construction, which we completed in less than six months with no safety or environmental incidents. For their Low Sulfur Gasoline Program in Texas, we worked upfront with Koch to evaluate and select the best technology, and identify operational and yield improvements. Implementation of the selected technology in lieu of available alternatives will save Koch millions of dollars.

For BP, we are specifying, purchasing, and designing selective catalytic reduction (SCR) units to lower NOx emissions on three fluid catalytic cracking units in Illinois and Texas. Our expertise helps BP go beyond EPA NOx emissions requirements and promote their reputation as a green company. For Nerefco (a joint venture between BP and ChevronTexaco) we apply our long-term knowledge and experience with these clients to provide broad-based services at their refinery in the Netherlands, which has the largest crude oil refining capacity in Europe. Our work involves various clean fuel projects and unit upgrades.

As a single source provider for Conoco, we are performing maintenance, turnarounds, and minor capital construction services at all four U.S. refineries and their research & development center. Consolidating this work gives Conoco significant flexibility in planning, scheduling, and executing maintenance work, maximizing efficiency to lower their maintenance costs.

Ahead, major refiners will continue to invest heavily in low sulfur gas and diesel initiatives through 2006. Reliability and operability also remain high priorities. Through our strong multi-site relationships, we readily customize our services to our clients' needs, worldwide.



*“The HDS revamp project was handled very well through real partnering between Shell and Jacobs. Jacobs kept quality requirements high on the agenda. Safety performance during the execution was good. The most memorable thing was the excellent cooperation between the project team from Jacobs and the Shell parties involved. The project was delivered on time and the revamped units could start up successfully. For me, a job well done.”*

TOM DE JONG

Refinery Manager

Shell Refining, Conversion,

Treating (RCT) Site,

Pernis-Rotterdam, The Netherlands







1

## TECHNOLOGY

1. Cypress Semiconductor, Bloomington, Minnesota
2. Lawrence Livermore Laboratory, Livermore, California
3. Sun Microsystems, Broomfield, Colorado
4. Microchip, Tempe, Arizona

2





## TECHNOLOGY

As our technology clients wait for hardware demand to rekindle, they focus on facility maintenance and small capital improvements. We help our clients refine their best practices to remain competitive by applying specialized design expertise, project team integration, and rapid responsiveness. We also extend this knowledge base to our clients on other diverse technology programs.

For long-term semiconductor clients such as National Semiconductor, Cypress, Motorola, and some confidential clients, we execute tool installation design, basebuild expansions, retrofits, and a variety of as-needed small capital projects across the U.S., Ireland, and greater Europe. We perform a range of services including program management, architectural design, tenant improvements, procurement, and run rate (sustaining) work for Sun Microsystems at their campuses in Oregon, California, and Colorado. We recently completed their 87,000-square-foot manufacturing facility in Oregon on an extremely fast-track basis to meet delivery schedule for one of Sun's high-end server products. Sun views this as a high quality, highly effective manufacturing facility.

We continue technical and construction management support on the \$230 million Beampath Infrastructure System for the U.S. Department of Energy's (DOE) new National Ignition Facility (NIF) at Lawrence Livermore National Laboratory in California. This system — the world's largest laser and a vital element of the DOE's nuclear weapons Stockpile Stewardship Program — consists of 192 powerful lasers designed to create fusion reactions. NIF will support multidisciplinary scientific research in national security, energy, basic science, and economic development.

For Markley Stearns Partners' European telecommunication expansion, we are providing consulting and construction management services for new projects in France and Italy. On several of the projects, we acted as the local development consultant and project manager, helping our client navigate through the permitting and construction process.

Ahead, experts point to a semiconductor upswing in mid-2002. We see chip products further branching into other industries such as automotive and biotech. With our flexible staff of technology facility experts and our diverse industry experience, we are poised as our clients both gear up for renewed product demand and expand into new market territory.



*“Recently, our beampath project met our completion goals. This achievement is the result of the successful integration of the forces of our laboratory and Jacobs. It required intense focus and creative solutions to meet a multitude of challenges. Most importantly, our safety record was superior.”*

**EDWARD I. MOSES**

**NIF Project Manager**

**Lawrence Livermore Laboratory,  
Livermore, California**





## CHEMICALS & POLYMERS

1. ATOFINA, Baton Rouge, Louisiana
2. MCC PTA India Corp. Pvt. Ltd., Kolkata, India
3. OSi Specialties, Modules en Route to Sistersville, West Virginia
4. The Dow Chemical Company, Module Destined for Zhangjiagang City, China

2





## CHEMICALS & POLYMERS

Overcapacity, reduced demand, and increased feedstock prices dampened market recovery this year. In response, our clients are streamlining existing operations, increasing plant efficiency, and improving reliability. We help our clients drive down costs while increasing reliability and safety by consolidating and managing multi-site service programs.

We provide engineering and construction for Mitsubishi Chemicals on their latest polyester film line expansion. With unique technological features, this line gives Mitsubishi 40 percent more capacity to meet increased market demands. Our synergistic project team works seamlessly with Mitsubishi to identify cost reduction areas and help them reach their budget goals. Mitsubishi's client satisfaction survey scores range between 94 and 96 percent, reflecting their confidence in us.

We facilitate Dow Chemical's global expansion through a new Pan European engineering, procurement, and construction management services contract. In the U.S. we employ a modular approach that increases safety and effectively reduces project cycle time by 33 percent — resulting in a competitive advantage for Dow's emulsion polymers business. To date we have designed and fabricated 18 modules sent to their China and Brazil facilities.

We also provide maintenance services for eight Huntsman sites and for a polyurethanes manufacturing plant for Rubicon, a joint venture between Huntsman and Crompton. We continue all routine and non-routine maintenance work for BP Carson's Polypropylene Unit — the only unit of its kind in the western U.S. We also engineered this unit, which became operational in 1999.

For the lenders of BASF-YPC Company Limited, a joint venture of BASF and Sinopec, we provide market research, technical consulting, and project oversight for a new ethylene and derivatives plant in China. The project is on the leading edge of private investment in China. Our efforts help BASF and Sinopec maximize return on their \$2.9 billion-plus investment.

Experts don't expect market recovery until late 2002 or early 2003. In the meantime, we continue to help our clients maximize plant efficiency during this flat period, and are positioned worldwide to provide new capacity when the market demands it.



*"You spent our money like it was your own, while achieving high productivity from the craft labor. The project was completed safely, under budget, on schedule, with very little time for preparation. The BP BDO plant has been well served by Jacobs."*

BRUCE C. RIDDEL  
BDO TAR Manager  
BP Chemicals Inc.,  
Lima, Ohio





## FEDERAL PROGRAMS

1. U.S. Department of Energy, Oak Ridge, Tennessee
2. Rocky Mountain Arsenal, Commerce City, Colorado
3. U.S. Department of Energy, Weldon Spring, Missouri
4. U.S. Army Engineer District, Alaska TERC, Kodiak, Alaska

2





## FEDERAL PROGRAMS

Our strong relationships with the Department of Defense and the Department of Energy continue to yield increasing work in environmental remediation, facilities, infrastructure development, and security upgrades. As competitive contractors consolidate, our clients rely even more heavily on our cost discipline, breadth of services, and partnering arrangements to deliver cost-effective projects to meet their customers' deadlines.

We are providing blast and progressive collapse assessments for government facilities across the U.S. Since September 11, our work has increased ten-fold due to the immediate shift in our nation's security priorities.

We continue our long-term relationship with the Air Force Center for Environmental Excellence (AFCEE) as part of their \$750 million Environmental Remediation and Construction program. We support AFCEE's worldwide service expansion through our global presence; our successful history managing complex programs; and our familiarity with their organization, culture, and project requirements. AFCEE recognizes our commitment to continuous improvement with steadily increasing award fee scores — including 100 percent on one contract.

In the third successful year of our Oak Ridge Management and Integration (M&I) joint venture contract, we have helped the Department of Energy complete their most complex site transition yet, while reducing the life-cycle cost estimate by \$1.1 billion. We achieved this in part by awarding more than 170 subcontracts to best-in-class subcontractors, saving more than \$450 million.

Under the Total Environmental Restoration Contract (TERC) with the U.S. Army Corps of Engineers, we continue providing a broad range of environmental and remediation services throughout Alaska — working year-round in remote regions and arctic climates. Using a non-traditional Coordinated Comprehensive Cleanup strategy, we help clean multiple contaminated World War II and Cold War era defense sites. This military campaign-style approach has saved the government millions of dollars and many years in restoring Alaska's vast pristine areas.

Near term, we expect federal programs work to increase with current priorities of recovery, renewal, and readiness. We are well positioned to support our clients in infrastructure security upgrading, weapons testing, site closure, and defense programs.



*“The Weldon Spring Site Remedial Action Project (WSSRAP) received the Association of Engineering Geologists Outstanding Environmental and Engineering Geologic Project Award. This is the first time a DOE project has been acknowledged with this type of award. Jacobs has been an instrumental partner at the site and their reasonable and cooperative behavior, flexibility, and technical ability have made them a team player that has significantly contributed to the overall success of WSSRAP.”*

**PAMELA THOMPSON**  
Project Manager  
U.S. DOE, WSSRAP,  
Missouri





1

## FOOD & CONSUMER PRODUCTS

1. Coors, Golden, Colorado
2. Miller Brewery, Milwaukee, Wisconsin
3. Keebler, Kansas City, Kansas
4. Kellogg Company, Memphis, Tennessee

2





## FOOD & CONSUMER PRODUCTS

This industry held steady this year. Mergers and acquisitions prevail as producers battle for market share, balancing and optimizing their new and existing product lines. We support our clients with our in-depth food processing design expertise and a broad discipline mix to better integrate and automate their systems, and increase their product line speed. Also, through our alliance relationships and global office presence we apply local capability with industry-proven work processes, serving our clients wherever they acquire new sites.

We continue our alliance with Coors Brewing Company, providing engineering, procurement, and construction for their three production facilities in the U.S. This alliance structure contributes to continuous improvement for Coors. For example, this past year we've surpassed our alliance goal in value creation by more than 37 percent.

We continue to strengthen our full-service global alliance with the Kellogg Company, helping optimize their capital program with projects in North America, Europe, Latin America, and Asia Pacific. Part of our work this past year involved engineering, procurement, and project management services for Kellogg's operations in Asia. Our scope included basic design of a new expansion plant, an energy conservation program study, and modifications to existing facilities. We execute all work following our proven project delivery processes, yielding considerable added value on project cost and schedule for Kellogg.

We provided conceptual and basic design of Tropicana's new fresh juice plant in Belgium and were recently awarded detailed engineering, procurement, and construction management. This facility will produce 200,000 liters of juice per day for distribution throughout Europe. Working closely with Tropicana to meet their project objectives, our design helps maximize product line flexibility; allows for quick handling of raw materials; incorporates aseptic packaging; and complies with all local regulatory requirements for food processing facilities.

Ahead, we expect more of the same in this industry. Our clients will continue to consolidate and further optimize their existing facilities. With specialized expertise and global presence, we provide innovative solutions for automation and line efficiency to drive their products more quickly to market.



*"The Jacobs team played a tremendous role in the execution of a project critical to the Kellogg Supply Chain business initiative. The project start-up surpassed the committed production curve, was delivered under budget, and was on schedule."*

ROBERT C. MILLER

North America Engineering  
& Construction Services Manager  
Kellogg Company,  
Battle Creek, Michigan





1

## DEFENSE & AEROSPACE

1. Arnold Engineering Development Center (AEDC),  
Arnold AFB, Tennessee
2. NASA Ames Research Center, Moffett Field, California
3. ESS DAMASK, China Lake, California
4. Australian Defense Force, Australia

2





## DEFENSE & AEROSPACE

This year, we saw considerable new and renewed work supporting U.S. defense and aerospace programs, with even greater security emphasis at year's end. Our clients benefit from our ability to leverage best business practices such as government/industry performance partnerships.

We celebrate the 50th anniversary of a key client, the U.S. Air Force's Arnold Engineering Development Center (AEDC), which plays a critical role in keeping our nation at the forefront of air and space technology leadership. We have supported AEDC since its inception and today provide test operations with a 1,300-plus-person workforce. We were instrumental in capturing over \$27 million in commercial workload for AEDC during the past year. This added revenue saved taxpayer dollars by reducing the Department of Defense's funds required to operate and maintain AEDC's ground test infrastructure.

We continue to grow our acquisition and logistics work with defense clients. We support the Army's Aberdeen Test Center, performing technical services for military automotive, weapon, and warfighter systems testing. For the U.S. Special Operations Command, we provide comprehensive support to special operations forces worldwide in the performance of their mission, at any time. Under our weapons acquisition contracts for the U.S. Air Force and the U.S. Navy, we continue to support the rapid rollout of next generation air-to-surface weapon systems, such as the Joint Direct Attack Munition (JDAM).

For NASA, we drive development of the Generalized Fluid System Simulation Program (GFSSP), a tool for analyzing fluid conditions in rocket engines, turbo pumps, and fuel tanks. Recognizing the program's significant contribution to U.S. space programs, NASA named GFSSP "Software of the Year." GFSSP significantly reduces propulsion system development time and has saved one NASA department more than 7 percent of their R&D budget since implementation.

Our clients express their confidence in our engineering and technical support services through client satisfaction survey scores averaging greater than 95 percent. Ahead, we expect increased federally funded defense and aerospace programs focusing on U.S. security and homeland defense. We also expect new information technology opportunities in this market.



*"Your foresight and contributions to our mission have left us with a superb capability in the data analysis, video data viewing, and automated data processing arenas. The accuracy of the data being produced, and the way we can now display this data, is a direct reflection of your innovative efforts."*

**MAJOR ANDREW B. WHITE, III**  
Commander, Detachment 1,  
46th Operations Group  
Air Force Special Operations





1

## OIL & GAS

1. El Paso Corp./Southern LNG Marine Dock, Savannah, Georgia
2. ExxonMobil, Oil Field Maintenance, La Barge, Wyoming
3. Aux Sable, Liquid Products Inc., Channahon, Illinois
4. Multinational Petroleum Company, Oil and Gas Platform, South China Sea

2





## OIL & GAS

Despite variable crude oil and gas prices, our clients have seen record profits this past year, with some downturn at year's end. With innovative solutions across the range of upstream sectors we help our clients reduce costs, improve reliability, and increase their recoverable reserves.

As a key business partner with Chevron, we are in our fifth year of oilfield maintenance and small capital construction services at three central California sites. With safety a mutual top priority, we integrate our on-site safety program with our client's Behavior Based Safety Program to achieve "Target Zero" — this year we had a zero recordable incident rate at our Chevron sites. Our disciplined process improvements, emphasizing upfront maintenance planning and scheduling, have contributed to substantial, sustainable cost savings for Chevron.

As a consortium partner for the Nederlandse Aardolie Maatschappij (NAM) — a Shell/Esso joint venture — we performed front-end engineering design to develop marginal gas fields in the Dutch North Sea. Project NEPTUNUS encompasses 3 unmanned, standardized, and highly automated gas production facilities that can serve up to 10 gasfields.

For El Paso Corporation, we worked on the reactivation of their Liquefied Natural Gas (LNG) regasification terminal in Georgia, to deliver natural gas to the Southeastern U.S. In collaboration with our Leiden office, we performed overall project management support, plus detailed design for the terminal's damaged marine dock and unloading terminal.

In Canada, we are the engineering, procurement, and construction contractor for Imperial Oil Limited's Cold Lake Project Phases 11-13 (Mahkeses), a new bitumen production facility. We used 3D CADD to support the engineering and construction effort for this new plant, which includes the first application of cogeneration technology at Cold Lake for Imperial.

Ahead, experts predict increased exploration in North America, particularly with roughly 300 billion barrels of recoverable oil in Canada's tar sands. Having recently expanded our upstream capabilities into Canada, we provide a complete geographic and technical service base for our clients in this globally competitive market.



*"Jacobs has served us well since becoming our partner in 1996. Working together we have improved our safety record dramatically to its .5 Recordable Incident Rate — a remarkable achievement considering the fact that we were implementing a new maintenance management philosophy across our entire valley operations. Also equally impressive is the impact on costs. Jacobs has lowered our maintenance costs by 30 percent."*

GARY LUQUETTE  
Vice President  
ChevronTexaco,  
Bakersfield, California







1

## BASIC RESOURCES

1. ASTARIS, Soda Springs, Idaho
2. Cerro Copper Tube Mill Project, Cedar City, Utah
3. Nirma Limited, Bhavnagar, India
4. Minera Florida S.A., Alhue Concentrates Leaching Plant Facilities, Alhue, Chile

2





## BASIC RESOURCES

Our phosphates and related chemicals clients continued diversifying into specialty products like purified phosphoric acid to increase revenues. In mining, commodity prices are low, particularly for copper and precious metals. Negotiating consolidations and complex government regulations, owners look to our process expertise and industry best practices to cost-effectively increase plant performance.

We completed the successful startup of ASTARIS LLC's new grassroots Purified Phosphoric Acid Facility in Idaho, using off-site assembly of modules to mitigate labor shortages and improve safety. Outstanding safety performance on this project earned ASTARIS the Construction Industry Excellence Award from the Construction Users Roundtable, as well as the VPP Star Status — OSHA's most prestigious safety award.

We also continue our long-term relationship with PCS Phosphates on a new Purified Acid Facility in North Carolina, building more than 70 percent of the plant in our modular facility. Internationally, we work with Spur Ventures of Canada to develop the \$380 million Yichang Mining and Fertilizer complex in China — the most significant new facility of its kind in the world.

We successfully completed a two-year construction management effort for Jordan Magnesia Co.'s magnesium oxide plant in Jordan. The project advances the Hashemite Kingdom of Jordan's development of its Dead Sea resources, with which we have been associated for more than 40 years. The plant — which will produce 60,000 metric tons per year of various grades of magnesium oxide — is scheduled to go into production in 2002.

For one of the world's largest gold mining companies, we provided design, procurement, and construction support services for a new stacking and conveying system and expanded solution distribution systems. Handling 2,500 metric tons per day, this upgrade is key to extending the mine's life by 10 years.

Ahead, experts foresee improved metals market activity by early 2002. We expect the phosphates industry to remain very competitive as our clients expand their market share and global presence. In both sectors, we will help our clients improve production efficiency, and support their global expansion.

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*“While working on the Pinal Creek Water Treatment Plant in Arizona, Jacobs helped increase our operating availability to more than 99 percent and reduced unit operating costs by more than 25 percent while maintaining the highest water quality.”*

**ROBERT D. TUNIS**

**Technical Services Superintendent  
Phelps Dodge Mining Company,  
Pinal Creek, Arizona**

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1

## PULP & PAPER

1. Abitibi Paper Mill, Lufkin, Texas
2. International Paper, Pine Bluff, Arkansas
3. Inland Paperboard, Orange, Texas
4. Boise Cascade Corporation, International Falls, Minnesota

2





## PULP & PAPER

The U.S. pulp & paper industry remained sluggish as consolidation consumed many industry leaders' focus and capital. The European market offered expanded growth opportunities, with numerous U.S. clients investing overseas. Many owners completed their Cluster Rule compliance projects and began addressing new MACT II environmental regulations on particulate matter. These factors led to increased work as we help our clients improve efficiency and meet regulatory requirements.

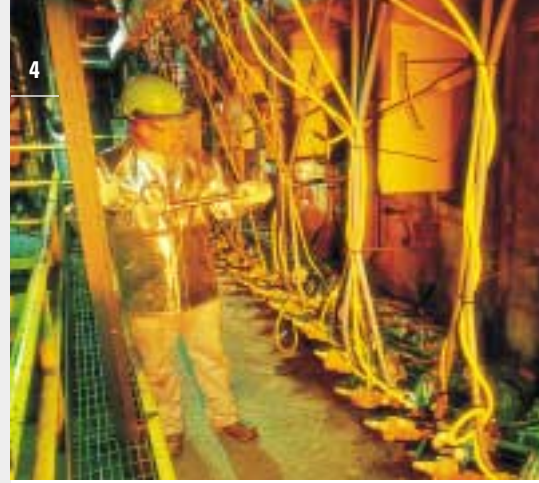
We performed engineering, procurement, and construction services for Abitibi's \$240 million mill reconfiguration, including a pulp mill upgrade and relocated newsprint machine, the largest machine constructed in the world this past year. We successfully recruited 4,700 skilled trade employees in a difficult, remote labor market and also received Texas Safety Association's Award of Merit.

We provided engineering services on Cluster Rules projects at several International Paper (IP) sites during the past year. Strengthening our multi-site relationship with IP, our client-focused, flexible project teams add value, reflected by 100 percent client satisfaction survey scores on two of those projects.

For Newark America, we performed engineering and design services on a \$100-million-plus Graphic Board mill in Massachusetts — the first of its kind in the U.S. To reduce costs and hasten production, Newark chose to refit an existing facility, which will ultimately produce 90,000 tons of graphic board per year. Our design integrated the existing infrastructure with new process equipment to provide optimum process and material flow. With construction underway, we currently support Newark with construction assistance, programming services, and start-up assistance.

In addition to our U.S. work, we are developing relationships with major European producers as they establish presence in North America. Performing a variety of small capital projects, our industry expertise and disciplined work processes have already saved these clients money.

Ahead, we expect significant, targeted paper machine rebuilds, further European marketplace penetration, and more MACTII compliance projects. Through continuing relationships with North American clients and new ones with major European producers, we are well-positioned to grow our pulp & paper business as our clients expand around the globe.



*“The Jacobs project team’s understanding of the scope and deliverables has been extremely beneficial. Their experience with other international paper projects is a plus. They have an excellent attitude with a positive spirit and are quick to respond to project needs.”*

HARRY LEAVENGOOD

Director of Engineering

International Paper,

Savannah, Georgia





1

## AUTOMOTIVE & INDUSTRIAL

1. Ford, Driver Test Facility, Dearborn, Michigan
2. Delphi, Buffalo, New York
3. Toyota, Paris, France
4. Modine, Racine, Wisconsin

2





## AUTOMOTIVE & INDUSTRIAL

This market was stable in 2001. Automotive manufacturers delayed some capital projects due to industry downturn, but fully utilized our test facility asset management services. Thus, our clients can focus on designing and producing vehicles, while cost-effectively outsourcing design, testing, and operations.

With Ford Motor Company, we recently completed commissioning one of the world's largest and quietest full-scale aero-acoustic wind tunnels — the first such tunnel to test automotive vehicles over a wide range of temperature and humidity conditions. The tunnel features excellent aerodynamic and environmental simulation capabilities, enabling Ford and other manufacturers to shave months off new vehicle development cycles.

We also completed Mando Climate Control Corporation's first full-scale wind tunnel facility. This 50-square-foot nozzle facility includes temperature, humidity, solar, and wind speed simulation capability. With these and other capabilities, Mando can replicate the full range of global environmental parameters, reaching a new level of performance data that directly translates to improved product quality.

Our asset management partnership with Delphi brings an integrated approach to the management, operation, and maintenance of test facilities, equipment, personnel, and processes in support of Delphi's business objectives. Through this partnership, Delphi rapidly accesses our full-spectrum engineering functions to support their ongoing operations. We also broker excess test time to external customers, including Delphi's suppliers. This brokering generates additional revenue we share with Delphi, and gives Delphi's suppliers access to increased test capability, resulting in cost savings passed on to Delphi and ultimately their consumers.

In other sectors, we continue our 6-year relationship with FuelCell Energy, Inc., leveraging our expertise in modular construction to optimize their Direct FuelCell® power plant unit packaging. Projects include a prototype Ship Service Fuel Cell power plant for the U.S. Navy and a commercial application sub-megawatt Direct FuelCell® power plant.

Ahead, the industry outlook is solid. As our automotive clients focus on core business, we are poised to provide value-added approaches to test facility operations. Strengthening our client relationships through these services-intensive projects creates a direct path for more capital projects when the automotive industry rebounds.



*“By partnering with Jacobs, Delphi is enhancing the value of our facilities, implementing productivity efficiencies, and boosting our bottom line with revenue from the brokering of test facilities.”*

**JOHN BENOIT**

**Manager, Engineering Test,  
Model Shop, and Quality Systems  
Delphi,  
Buffalo, New York**



“We view Jacobs as one of the best managed companies in the E&C industry and we believe the company's relationship-based, low-risk approach to the business has been a key to its success.”

**RICHARD F. ROSSI, ING Barings LLC**

(January 4, 2001)

“Jacobs' earnings historically have grown faster, with less volatility, than the rest of the engineering & construction group and compared to the Standard & Poor 500.”

**FRITZ VON CARP, CFA, Merrill Lynch**

(February 28, 2001)

“Over the past decade, Jacobs successfully delivered both high levels of growth and consistency.

We attribute this success to their relationship-focused strategy, focus on lower risk opportunities, and conservative cost structure.”

**JOHN B. ROGERS, CFA, D.A. Davidson & Co.**

(June 18, 2001)

“Jacobs, driven by its relationship-based approach to the business, its growing diversification, and its proven record of making and assimilating strategic acquisitions can continue to produce stable, superior earnings growth of 15% per year with substantial cash throwoff. It is, far and away, the best of the larger E&C companies — and an excellent company in absolute terms.”

**JOHN E. MCGINTY, CFA, Credit Suisse First Boston Corporation**

(July 20, 2001)

## FORWARD-LOOKING STATEMENTS AND OTHER SAFE HARBOR APPLICATIONS

Statements included in this 2001 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 2001 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 RESPONSIBILITIES FOR FINANCIAL REPORTING

The consolidated summary 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 2001 audited, consolidated financial statements, together with the notes thereto, appear as Exhibit C to the Company's Proxy Statement for its 2002 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 have been audited by Ernst & Young LLP, independent auditors. The independent auditors report on the Company's 2001 consolidated financial statements is also contained in Exhibit C to the Proxy Statement.

## REPORT OF ERNST & YOUNG LLP, 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 as of September 30, 2001 and 2000, 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, 2001 (not presented separately herein) and in our report dated October 31, 2001, 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 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 "n". The "LLP" is written in a smaller, more straightforward script at the end.

Los Angeles, California

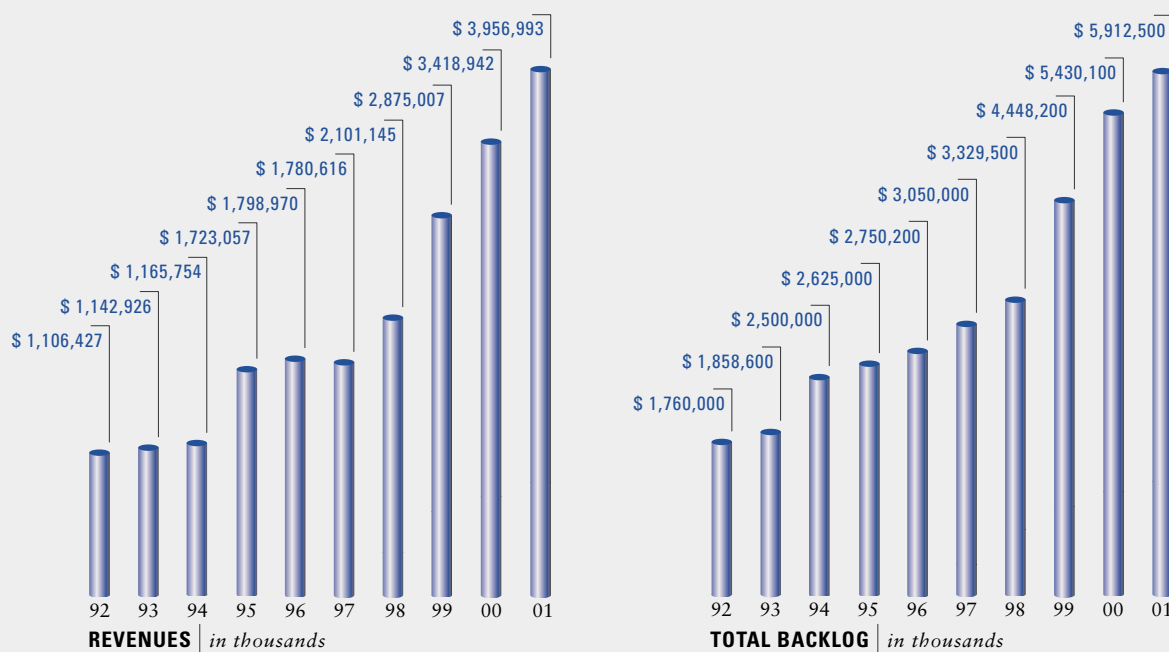
October 31, 2001

## SELECTED FINANCIAL DATA

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

	2001	2000	1999	1998
<b>Results of Operations:</b>				
Revenues	\$ 3,956,993	\$ 3,418,942	\$ 2,875,007	\$ 2,101,145
Net earnings	87,760	50,981	65,445	54,385
<b>Financial Position:</b>				
Current ratio	1.35 to 1	1.24 to 1	1.25 to 1	1.54 to 1
Working capital	\$ 245,500	\$ 167,160	\$ 144,638	\$ 197,659
Current assets	946,159	851,023	729,620	566,007
Total assets	1,557,040	1,384,376	1,220,186	807,489
Long-term debt	164,308	146,820	135,371	26,221
Stockholders' equity	591,801	495,543	448,717	371,405
Return on average equity	16.14 %	10.80 %	15.96 %	15.63 %
<b>Backlog:</b>				
Technical professional services	\$ 2,689,300	\$ 2,375,300	\$ 1,760,000	\$ 1,004,500
Total	5,912,500	5,430,100	4,448,200	3,329,500
<b>Per share Information:</b>				
Basic EPS	\$ 3.30	\$ 1.95	\$ 2.54	\$ 2.12
Diluted EPS	3.22	1.93	2.47	2.08
Stockholders' equity	21.72	18.72	16.95	14.23
<b>Average Number of Common and Common Stock Equivalents Outstanding (Diluted)</b>	27,248	26,473	26,478	26,096

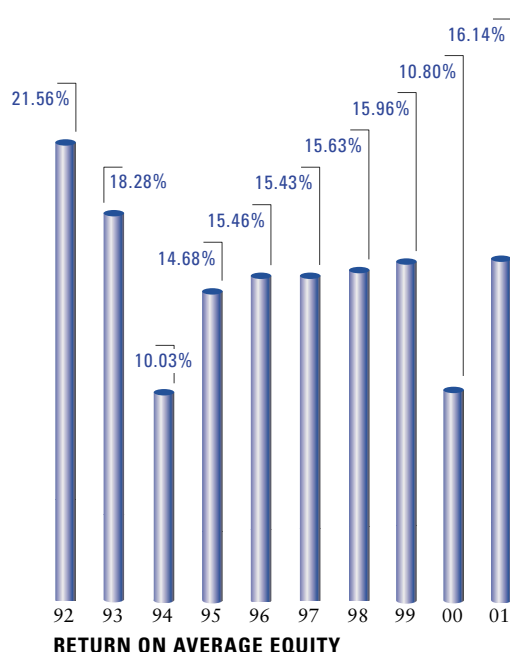
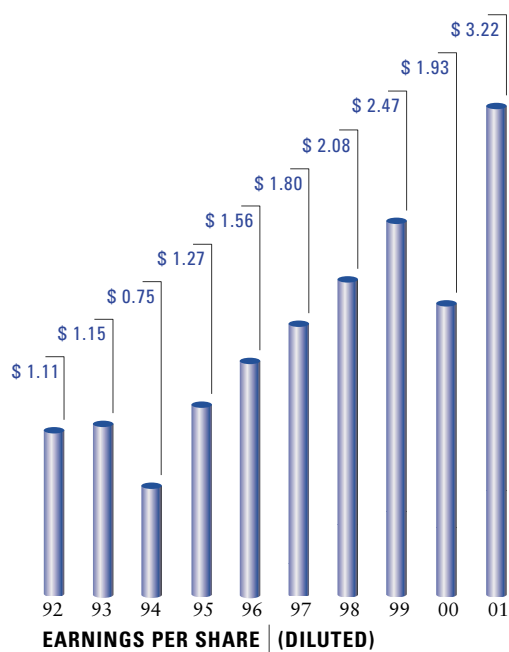
Net earnings for fiscal 2000 includes an after-tax charge of \$23.7 million, or \$0.89 per diluted share, relating to the settlement of certain litigation.





1997	1996	1995	1994	1993	1992
\$ 1,780,616 46,895	\$ 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
1.56 to 1 \$ 178,203 497,361 737,643 54,095 324,308 15.43 %	1.68 to 1 \$ 155,569 383,644 572,505 36,300 283,387 15.46 %	1.44 to 1 \$ 113,339 368,614 533,947 17,799 238,761 14.68 %	1.41 to 1 \$ 106,058 367,485 504,364 25,000 200,433 10.03 %	1.61 to 1 \$ 100,688 264,949 351,020 - 173,797 18.28 %	1.56 to 1 \$ 92,706 258,206 316,731 - 139,813 21.56 %
\$ 912,057 3,050,000	\$ 845,300 2,750,200	\$ 828,400 2,625,000	\$ 793,060 2,500,000	\$ 736,600 1,858,600	\$ 647,100 1,760,000
\$ 1.82 1.80 12.48	\$ 1.58 1.56 10.93	\$ 1.28 1.27 9.41	\$ 0.75 0.75 7.96	\$ 1.17 1.15 6.96	\$ 1.14 1.11 5.81
25,989	25,921	25,384	25,173	24,964	24,070

Net earnings for fiscal 1994 included special charges totaling \$10.2 million, or \$0.40 per diluted share. Net earnings for fiscal 1992 included a net gain of \$2.1 million, 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, 2001 and 2000 (In thousands, except share information)

	2001	2000
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 49,263	\$ 65,848
Receivables	817,160	710,979
Deferred income taxes	64,651	61,968
Prepaid expenses and other	15,085	12,228
Total current assets	946,159	851,023
Property, Equipment and Improvements, Net	149,979	150,491
Other Noncurrent Assets:		
Goodwill, net	317,664	269,043
Other	143,238	113,819
Total other noncurrent assets	460,902	382,862
	<b>\$ 1,557,040</b>	<b>\$ 1,384,376</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Notes payable	\$ 19,688	\$ 18,460
Accounts payable	197,712	224,063
Accrued liabilities	295,763	274,991
Billings in excess of costs	163,833	145,708
Income taxes payable	23,663	20,641
Total current liabilities	700,659	683,863
Long-term Debt	164,308	146,820
Other Deferred Liabilities	95,174	52,946
Minority Interests	5,098	5,204
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 - 100,000,000 shares, issued and outstanding - 26,872,358 and 26,386,238 shares, respectively	26,872	26,386
Additional paid-in capital	105,612	79,352
Retained earnings	472,010	400,791
Accumulated other comprehensive loss	( 10,620 )	( 10,515 )
	593,874	496,014
Unearned compensation	( 2,073 )	( 471 )
Total stockholders' equity	591,801	495,543
	<b>\$ 1,557,040</b>	<b>\$ 1,384,376</b>



## CONSOLIDATED STATEMENTS OF EARNINGS

*For the Years Ended September 30, 2001, 2000 and 1999 (In thousands, except per share information)*

	2001	2000	1999
Revenues	\$ 3,956,993	\$ 3,418,942	\$ 2,875,007
Costs and Expenses:			
Direct costs of contracts	( 3,452,320 )	( 2,983,247 )	( 2,477,678 )
Selling, general and administrative expenses	( 360,821 )	( 311,082 )	( 289,034 )
Operating Profit	143,852	124,613	108,295
Other (Expense) Income:			
Interest income	3,718	3,961	3,031
Interest expense	( 11,705 )	( 11,420 )	( 8,767 )
Miscellaneous income	2,341	2,168	1,963
Provision for litigation settlement	-	( 38,000 )	-
Total other expense	( 5,646 )	( 43,291 )	( 3,773 )
Earnings Before Taxes	138,206	81,322	104,522
Income Tax Expense	( 50,446 )	( 30,341 )	( 39,077 )
Net Earnings	\$ 87,760	\$ 50,981	\$ 65,445
Net Earnings Per Share:			
Basic	\$ 3.30	\$ 1.95	\$ 2.54
Diluted	\$ 3.22	\$ 1.93	\$ 2.47

## CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

*For the Years Ended September 30, 2001, 2000 and 1999 (In thousands)*

	2001	2000	1999
Cash Flows from Operating Activities:			
Net earnings	\$ 87,760	\$ 50,981	\$ 65,445
Depreciation and amortization of property, equipment and improvements	31,388	33,192	26,259
Amortization of goodwill	7,552	6,906	5,327
Other, net (primarily changes in the working capital accounts)	( 111,592 )	( 9,778 )	( 13,519 )
Net cash provided by operating activities	15,108	81,301	83,512
Cash Flows from Investing Activities:			
Acquisitions of businesses, net of cash acquired	( 28,605 )	( 27,284 )	( 201,052 )
Net additions to property and equipment	( 26,945 )	( 41,012 )	( 34,044 )
Net sales of marketable securities	-	-	16,482
Other, net	( 8,078 )	( 38,409 )	( 2,025 )
Net cash used for investing activities	( 63,628 )	( 106,705 )	( 220,639 )
Cash Flows from Financing Activities:			
Proceeds (net of repayments) of long-term borrowings	16,887	25,656	73,193
Exercises of stock options	18,198	16,006	12,947
Purchases of common stock for treasury	( 9,523 )	( 13,714 )	-
Other, net	6,589	14,899	6,489
Net cash provided by financing activities	32,151	42,847	92,629
Effect of Exchange Rate Changes	( 216 )	( 5,077 )	( 3,348 )
(Decrease) Increase in Cash and Cash Equivalents	( 16,585 )	12,366	( 47,846 )
Cash and Cash Equivalents at Beginning of Period	65,848	53,482	101,328
Cash and Cash Equivalents at End of Period	\$ 49,263	\$ 65,848	\$ 53,482
Other Cash Flow Information:			
Interest paid	\$ 11,070	\$ 11,820	\$ 8,960
Income taxes paid	\$ 29,595	\$ 19,527	\$ 45,460

## PRINCIPAL OFFICE LOCATIONS & SHAREHOLDER INFORMATION

### PRINCIPAL OFFICES

Anchorage, AK 907.563.3322	Denver, CO 303.462.7000	Madrid, Spain 34.91.353.51.00	Philadelphia, PA 610.238.1000
Antwerp, Belgium 32.3.540.9411	Dublin, Ireland 353.1.269.5666	Magdeburg, Germany 49.39.17.3850	Phoenix, AZ 480.763.8600
Arlington, VA 703.351.4200	Glasgow, Scotland 44.141.332.8645	Manchester, England 44.161.741.7800	Portland, OR 503.624.3000
Baton Rouge, LA 225.769.7700	Green Bay, WI 920.336.7786	Milan, Italy 390.22.509.81	Reading, England 44.118.963.5000
Boston, MA 617.742.8060	Greenville, SC 864.676.6000	Mumbai, India 91.22.824.4873	St. Louis, MO 314.335.4000
Canberra, Australia 61.26.230.6972	Houston, TX 832.351.6000	New York, NY 212.268.1500	Seattle, WA 425.452.8000
Charleston, SC 843.824.1100	Indianapolis, IN 317.423.4300	Oak Ridge, TN 865.220.4800	Singapore, Singapore 65.890.1960
Cincinnati, OH 513.595.7500	Lakeland, FL 863.665.1511	Orlando, FL 407.903.5001	Tullahoma, TN 931.455.6400
Cork, Ireland 353.21.451.5777	Leiden, The Netherlands 31.71.582.7111	Paris, France 33.1.45.70.50.00	
Cypress, CA 714.503.3400	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





JACOBS HAS SET A HIGHER SAFETY AND HEALTH STANDARD FOR THE CONSTRUCTION IN REGION X. YOU HAVE SHOWN BY EXAMPLE THAT A LARGE FACILITY (ASTARIS, SODA SPRINGS, IDAHO) CAN BE CONSTRUCTED WITHOUT SERIOUS INJURIES, WHILE AT THE SAME TIME EXCEED ECONOMIC AND COMPLETION DATE GOALS.

**RICHARD S. TERRILL**, Regional Administrator  
U.S. Department of Labor — OSHA, Seattle, Washington



# JACOBS

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