





“From the Rohm and Haas perspective, this working relationship with Jacobs has permitted us to accomplish some very fast-track projects around the world. Additionally, significant potential benefits are ahead of us as we experience life in each other’s shoes (true partnership!).”

TOM E. WILL, Alliance Manager & Capital Deployment Manager, Coatings Business
Rohm and Haas Company, Bristol, Pennsylvania



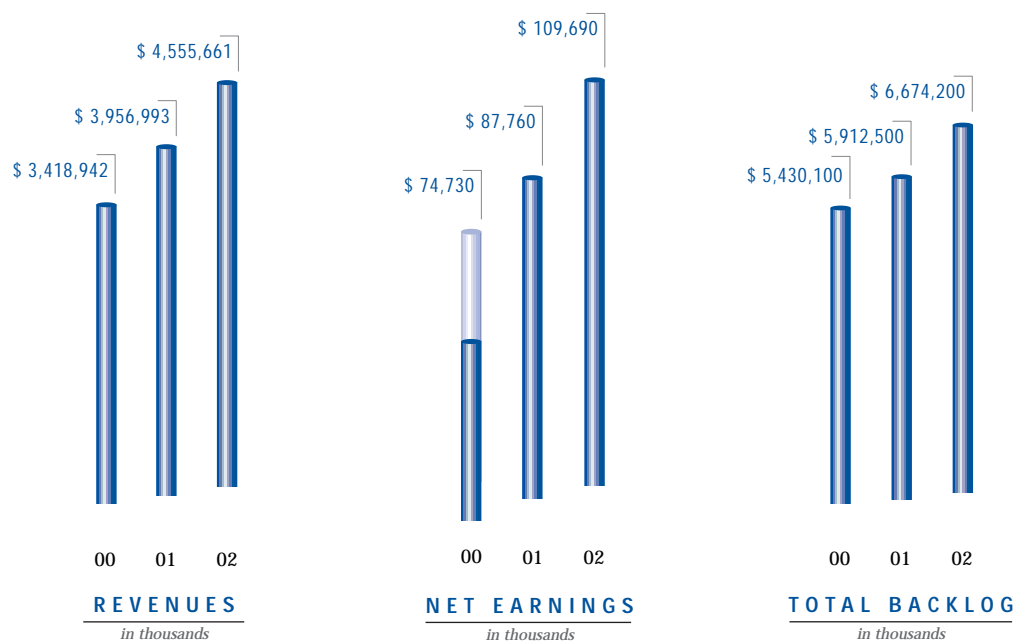
SELECTED HIGHLIGHTS

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

	2002	2001	2000
Revenues	\$ 4,555,661	\$ 3,956,993	\$ 3,418,942
Net earnings	109,690	87,760	50,981
Per share information:			
Basic EPS	\$ 2.03	\$ 1.65	\$ 0.97
Diluted EPS	1.98	1.61	0.96
Net book value	12.45	10.86	9.36
Closing year-end stock price	30.88	31.20	20.16
Total assets	\$ 1,673,984	\$ 1,557,040	\$ 1,384,376
Stockholders' equity	689,613	591,801	495,543
Return on average equity	17.12 %	16.14 %	10.80 %
Number of stockholders of record	986	1,036	1,115
Backlog:			
Technical, professional services	\$ 3,045,600	\$ 2,490,100	\$ 2,217,200
Total	6,674,200	5,912,500	5,430,100
Permanent staff	21,932	20,628	18,812

Per share information for prior fiscal years have been restated to reflect the Company's two-for-one stock split effected in the form of a 100% stock dividend and distributed to shareholders on April 1, 2002.

Net earnings for fiscal 2000 included an after-tax charge of \$23.7 million, or \$0.45 per diluted share, relating to the settlement of certain litigation.



SHAREHOLDERS MESSAGE

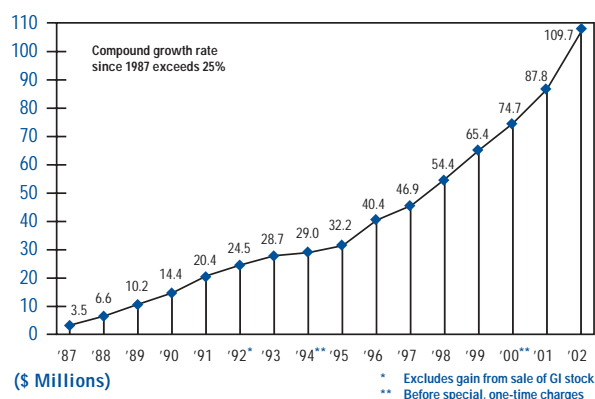
This fiscal year began with great uncertainty, and there was no improvement during the course of the year either economically or politically. Nevertheless, we registered record revenues of \$4.6 billion and record net income of \$109.7 million (\$1.98 per diluted share), an increase of 25 percent over 2001, or 17 percent when adjusted for the change in goodwill accounting. Cash flow was strong during the year. We began the year with debt of \$184.0 million, added \$47.5 million with the McDermott acquisition, and ended the year with \$91.7 million in debt. We accomplished this through a strong earnings stream and strict control of capital expenditure.

STRATEGIC GROWTH

In 2001, we acquired a portion of the LawGIBB group and completed the acquisition of Stork's engineering and contracting business. Early in 2002, we established a strong Canadian presence by adding the Delta operations of McDermott Engineers and Constructors in Calgary. After three significant acquisitions in a twelve-month period, we focused on consolidation, integration, and debt reduction.

Through successful acquisitions and internal growth, we expanded our share in many markets and increased our backlog from \$5.9 billion to \$6.7 billion. We've integrated GIBB, Stork, and Delta; we now expect to take on appropriate acquisitions as they become available.

Our History of Consistent Net Earnings Growth



We commit to our shareholders an average growth of at least 15% annually.

MARKET CLIMATE

In spite of the struggling Western and Asian economies, we achieved record sales in 2002 and our prospect list is strong. Specifically, Refining,

Buildings, Infrastructure, Federal Programs, and Pharmaceuticals & Biotechnology were quite active in 2002 and should remain so in 2003. The Refining projects focused on addressing environmental regulations and clean gasoline programs, many of which enter the construction phase in 2003. Low sulfur diesel is just beginning, and regulations for aviation and off-road diesel are yet to come. All this points to a healthy Refining business for the years ahead.

Public spending in Western Europe and the U.S. kept the Buildings and Infrastructure markets strong, although declining government revenues stifled some spending at the local level.

Our U.S. federal business is very good and should continue to grow. Our Department of Defense business has expanded significantly over the past couple of years and that trend should continue. The Department of Transportation, Department of Energy, and National Aeronautics and Space Administration are significant clients for us that remain strong.

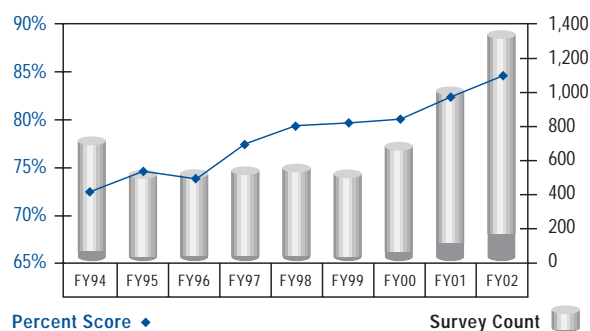
The Pharmaceuticals & Biotechnology market remains robust. Manufacturers require new facilities to develop drugs at a record pace and to address stricter Food & Drug Administration requirements.

Conversely, the Chemical business remains at the bottom of its cycle. While some chemicals showed signs of life this year, we believe the market won't rebound until late 2003 or early 2004. The Pulp & Paper business is also flat, although it too could improve during 2003 and 2004. The Technology market remains weak, with limited activity in semiconductors. On the bright side, our work in high-technology energy science facilities is growing.

DELIGHTED CLIENTS

We spend a lot of time with project teams discussing the importance of total client satisfaction and how to increase client delight. Client satisfaction survey results show that our effort to deliver superior performance is working, with an improvement of more than two full percentage points on our average score. Client delight is a long journey and we won't be satisfied until our average survey scores are above 90 percent, with zero dissatisfied clients.

Fiscal Year 2002 Client Survey Results



Steadily improving client satisfaction survey scores reflect our commitment to drive superior performance.

SAFETY

Our safety performance leveled off last year with stagnation in some of our existing operations and the integration of three major acquisitions into our safety program. Although our OSHA incident rate (U.S. Standard) remained below 1.0, we didn't achieve the improvement we targeted. At mid-year we significantly retooled our subcontract safety

management procedures so everybody clearly understands their roles and responsibilities. In the end, we are responsible for subcontractor safety—our clients expect this from us. Our commitment to safety never ends and we intend to set the pace for our industry. Our goal is zero incidents; we won't be satisfied until we achieve it.

"Our entire organization is very pleased that Jacobs carried out the two recent outages in plant 5 without a single incident or reported first aid. This is a remarkable achievement on our Journey to Zero. We recognize all employees and the efforts of management and front-line foremen; and supervision, coordination, and safety people. On the behalf of Suncor, please accept my thanks for this achievement."

ED PARANS, Area Manager, Upgrading Base Plant
Suncor Energy, Fort McMurray, Alberta, Canada

THE FUTURE

As we write this, a sluggish global economy and significant threat of war create great uncertainty in the business world. However, we view this as a great opportunity to gain market share, explore intelligent acquisitions, and continue to grow our business an average of 15 percent annually. Our prospect list remains strong and, as always, we appreciate the support of our employees, clients, and shareholders. With this type of support, we can accomplish anything.

JOSEPH J. JACOBS,
Chairman of the Board

NOEL G. WATSON,
Chief Executive Officer



BOARD OF DIRECTORS

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Chief Executive Officer

CRAIG L. MARTIN
President

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Graduate School of Management,
University of California at Los Angeles)*



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Technology Assistance)*

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*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.)*

EXECUTIVE MANAGEMENT



(left to right)

H.G. SCHWARTZ
Group Vice President

WARREN M. DEAN
Group Vice President, Facilities

GEORGE A. KUNBERGER
Group Vice President, Northern Region

LAWRENCE R. SADOFF
Group Vice President, Global Field Services



(left to right)

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

MICHAEL P. MILLER
Senior Vice President, Information Technology

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

MICHAEL J. HIGGINS
Group Vice President, Civil

ALLYN B. TAYLOR
Group Vice President, Southern Region



(left to right)

ROBERT M. CLEMENT
Group Vice President, European Operations

ROGERS F. STARR
President, Sverdrup Technology, Inc.

ANDREW F. KREMER
Senior Vice President, Quality & Safety

JAMES W. THIESING
Group Vice President, Federal Operations

PHILIP J. STASSI
Group Vice President, Western Region



(left to right)

RICHARD J. SLATER
Executive Vice President

WALTER C. BARBER
Group Vice President, Southeast Asia

THOMAS R. HAMMOND
Executive Vice President, Operations

JOHN W. PROSSER
Senior Vice President, Finance & Administration



(left to right)

GREGORY J. LANDRY
Group Vice President, Global Field Services

PETER M. EVANS
Group Vice President, Central Region

NAZIM G. THAWERBHOY
Senior Vice President & Controller

JOHN McLACHLAN
Group Vice President, European Operations

DISCIPLINED LEADERSHIP: TRANSFORMING CHALLENGES INTO SUCCESS

No one will argue that 2002 brought unprecedented global challenges: in politics, in economics, and in corporate accountability. Certainly, this past year's events affected each of us—personally, in business, or both—but it's our response to them that ultimately determines our future. By responding with disciplined leadership, we transform these challenges into success—just as we have since 1947.

What is disciplined leadership? It is:

- *creating a vision from the needs of our clients, employees, and investors*
- *testing this vision against our core values to measure its soundness*
- *setting attainable goals that don't compromise one stakeholder for another*
- *applying proven performance tools that are readily adaptable to today's climate*
- *working hard to achieve or exceed these goals.*

We apply disciplined leadership to every stakeholder interaction. With our clients, we work closely to build broader, stronger relationships with new services, markets, and locations—while applying time-proven business practices and constantly improving performance. With our employees, we hire only the best and expect nothing less than the best from them. In turn, we provide global opportunities and tools that boost their abilities. With our investors, we commit to consistent, sustained growth—realized through intelligent decisions based on integrity and experience.

GROWING CLIENT RELATIONSHIPS

As a relationship-based company, our overall goal is straightforward: to cultivate and expand mutually beneficial business relationships with each of our clients. To achieve this, we must surpass expectations in several key areas:

- *delivering benefits in our formal alliances and similar long-term arrangements*
- *systematically broadening our services and locations (such as Singapore) to address our clients' evolving needs*
- *providing our clients with the right talent at the right time*
- *continually improving our performance to give our clients a competitive edge.*



We established our Singapore office to help our clients take advantage of the positive business climate in this region.

"We commend Jacobs for delivering through its joint venture a world-class sterile manufacturing facility for biotech-derived products on behalf of Schering-Plough Ltd, Singapore. The well considered design and layout facilitated a very rapid construction phase that was executed on time and budget, and with an exemplary safety record. Throughout this project, the spirit of teamwork and cooperation between contractor and client has been the key to the project's success."

DR. STEVE FARRAND, General Manager, Biotech Plant
Schering-Plough Ltd, Singapore

CULTIVATING OUR GREATEST ASSET

To maximize the value of our greatest asset—our people—we must hire the best, give them the right tools, and place them where they add the most value to our clients and our shareholders. We do this by providing:

- *training programs that hone our employees' technical, safety, business, management, and leadership skills*
- *customizable work process maps and best practices that help our employees meet client needs*
- *multi-domestic and work-sharing practices that offer our employees both stable employment and diverse career growth opportunities.*

Training Courses

Total Trained

Safety	43,932
Leadership	3,325
Discipline (management/technical)	6,821



Through Jacobs College and on-site training, we hone our people's skills in every aspect of our business.

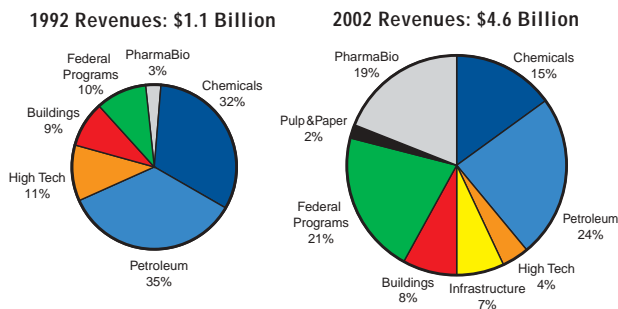
PROVIDING STEADY GROWTH FOR SHAREHOLDERS

For our investors, we strive for average annual bottom-line growth of 15 percent. We must accomplish this in a stable, balanced manner to weather political and economic fluctuations of the kind we've seen in 2002. We focus on five broad strategies to achieve stable growth:

- *increasing our share of available work with each client and in each of our markets*

- *diversifying our markets for greater stability*
- *smoothly integrating mergers and acquisitions*
- *paying down debt as quickly as possible*
- *approaching risk intelligently.*

Selective Market Diversity



Increasing market diversity reduces the impact of industry cycles, stabilizes our operations, and grows our business.

UPHOLDING OUR QUALITY AND SAFETY COMMITMENT

Achieving our goals is possible only when we have an unwavering commitment to quality and safety. Highly satisfied clients with safe projects give us more work. Employees contribute more when they are safe and can take personal pride in their jobs. Shareholders confidently invest when better, safer projects encourage repeat business. To achieve consistent, repeatable quality and safety excellence, we have a foundation of standards, procedures, and work practices that we tailor to meet the needs of specific clients, markets, and geographies.

FORGING AHEAD

2003 brings new challenges, and with them new possibilities to further expand our business and add shareholder value. With disciplined leadership and the strength of our employees, lasting client relationships, and investor confidence, we can transform challenging times into success.

“The Jacobs’ safety culture, procurement strategy, and construction coordination have maintained Spallation Neutron Source (SNS) as the safest, on-schedule, on-budget, premier science project under construction in the U.S. today.”

DR. WILLIAM J. MADIA,
President and CEO of UT-Battelle
and Oak Ridge National Laboratory
Director

TECHNOLOGY

This year brought new and continued high-energy science facilities work in North America and Europe. Our semiconductor clients continued stringent cost containment efforts to protect their profits during the ongoing market lull. We help by streamlining facility upgrades and sustaining work to protect our clients’ investments.

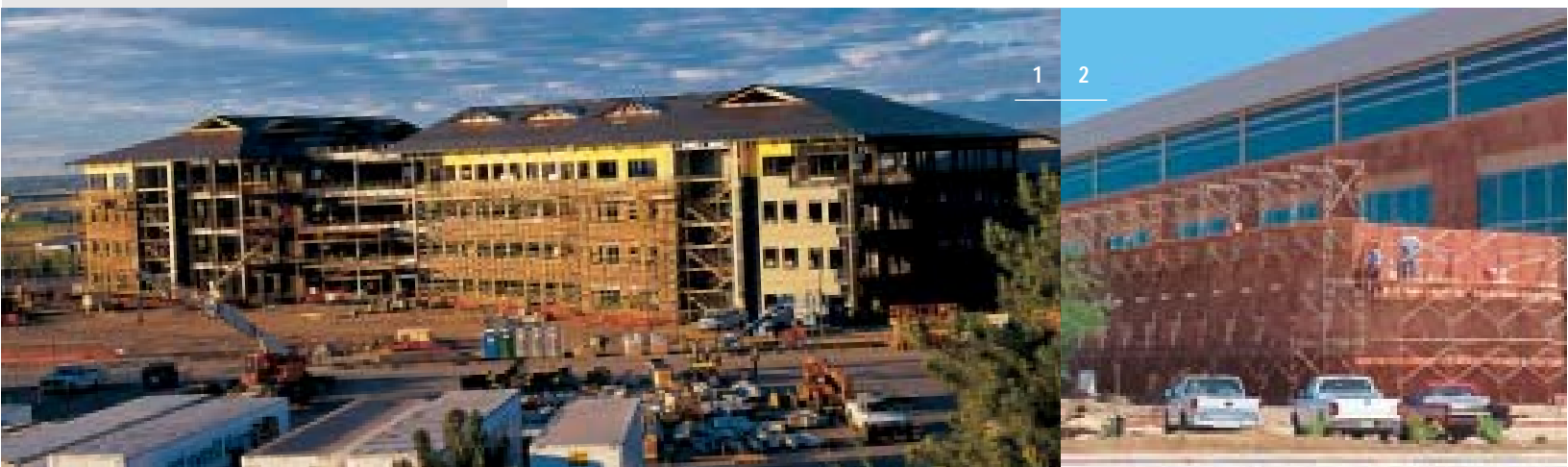
For a global confidential semiconductor client, we have performed 1,500 tool installations and basebuild design and construction on facilities in the U.S. and Ireland. We also provide program management and facility support for clients such as Sun Microsystems and Cypress.

For the University of California, Lawrence Livermore Laboratory, we continue work on the Beampath Infrastructure System for their \$3.4 billion National Ignition Facility. With four lasers already installed, we are on course to achieve a significant project milestone—“Light to Target Chamber Center”—one year ahead of schedule. To date we have worked 2.5 million hours without a lost-time accident.

We are providing comprehensive design services for the Diamond Synchrotron Light Source Project—the largest scientific facility to be built in the UK in nearly 30 years—at the Rutherford Appleton Laboratory site in Oxfordshire. The facility will accommodate a new generation medium energy synchrotron, producing intense light beams for environmental, medical, and materials research. The project involves designing foundations to demanding settlement criteria and close climatic control, to ensure a facility stable enough for accurate synchrotron functionality.

As part of a joint venture we provide design support and construction management for the U.S. Department of Energy’s \$1.4 billion Spallation Neutron Source (SNS) project at Oak Ridge National Laboratory. The SNS will provide the world’s most intense pulsed neutron beams for scientific research and industrial development. Our successes include a stellar safety record—zero lost workday case accidents since sitework began in 1999—and award-winning small and minority business participation programs.

Ahead, experts foresee a slow turnaround in semiconductor, with new capital projects expected later in 2003. Our work in high-energy science facilities continues to grow, positioning us as a global leader to support our clients’ important research efforts.



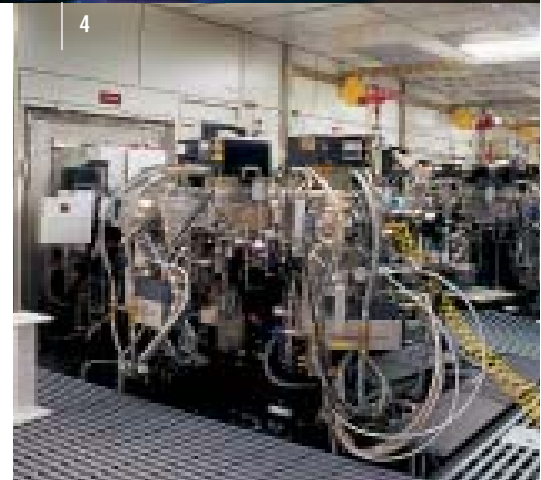


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TECHNOLOGY

1. Sun Microsystems, Broomfield, Colorado
2. Edward Jones Regional Data Center, Tempe, Arizona
3. Lawrence Livermore National Laboratory, National Ignition Facility, Livermore, California
4. Microchip, Tempe, Arizona



PHARMACEUTICALS & BIOTECHNOLOGY

“When we started the Grange Castle project in early 1999, we realized that building the biggest biotech facility in the world would not be easy, and it has certainly had its fair share of challenges. However, through it all, Jacobs has been a staunch partner and ally. We have come to rely on them for their technical and management excellence; and we certainly appreciate their 100% commitment to safety.”

THOMAS W. FLACHMEYER,
Sr Director GES BioPharma
Project Program Director
Wyeth Medica Ireland, The Wyeth
BioPharma Campus at Grange Castle

The biotech sector remains robust, as does bulk chemicals and secondary manufacturing. Our clients continue investing in new facilities and upgrades worldwide, despite regulatory concerns.

We continue work on Wyeth Medica Ireland's BioPharma Campus near Dublin—the largest of its type ever constructed. This \$1-billion-plus grassroots biotechnology facility will manufacture multiple products. Our coordinated multi-office execution ensured adequate design resources for this huge project. Applying our proven safety management techniques, we have clocked more than 3 million on-site workhours without a lost-time accident.

Through our formalized relationship with Merck, we provide engineering, procurement, and construction management services at their research and manufacturing facilities worldwide. In 2002, we performed 100 projects on 13 sites in Europe, Asia, and the U.S., applying process expertise and industry best practices to strengthen their competitive edge in the market.

Building on our 25-year relationship with Eli Lilly and Company, we execute major capital projects for their sites in Ireland, the United States, the United Kingdom, Europe, and Puerto Rico. As an alliance partner, we play an integral role in helping to bring their drug pipeline to market, and are currently responsible for more than \$1.5 billion in capital investment across a wide array of bulk, fill/finish, environmental, and clinical trial facilities. Lilly is a leading edge proponent of using modular construction to shorten their construction schedules. We are fabricating 152 modules in Charleston for their bulk biotech facility expansion in Puerto Rico—one of the most modularized plants of its kind today.

For Pfizer in Singapore, we provided engineering, procurement, and construction management on a new \$300 million multi-product drug substance facility. It is Pfizer's largest and most automated active pharmaceutical ingredient facility in the world, and their first in Singapore.

Near term, industry experts see greater acceptance of modular design and construction on projects, an increase in bulk biotech facilities to overcome a capacity shortfall in 2005, and further rationalization from mergers and acquisition. These trends all point to strong opportunities for us in this market.





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PHARMACEUTICALS & BIOTECHNOLOGY

1. GlaxoSmithKline, Secondary Pharmaceutical Manufacturing Facility, Singapore
2. Schering-Plough, Singapore
3. Sanofi Synthelabo, Sisteron, France
4. Bayer Corporation, Berkeley, California



“Even though the Jacobs team had a very limited time to execute the initial phase of work, the team did an excellent job in defining the scope, planning the project, and developing the estimate. A significant amount of value engineering occurred to reduce the cost of the project to fit SP Newsprint’s budget.”

DENNIS LAKEY,
Project Manager
SP Newsprint,
Newberg, Oregon

PULP & PAPER

While the U.S. pulp & paper market struggled to realize returns on capital spending, the European market fared slightly better. Overall, merger and acquisition activity plus poor market conditions impacted capital spending plans. To meet client needs, our small capital projects work improved productivity, product quality, and return on investment, while meeting regulatory requirements.

For two of the world’s largest consumer products companies, we continued our value-added services in tissue manufacturing. We are executing tissue machine projects in Europe and providing on-site engineering services at several U.S. facilities. Since 1991, we have designed and installed 14 new tissue machines and rebuilt 7 existing ones for various clients, qualifying us as an industry-leading engineering provider in tissue manufacturing technology.

For Newark America, we provided project delivery services on their new Graphicboard Mill in Massachusetts—the first of its kind in the U.S. We applied our process expertise, structured work practices, and responsive staffing to concurrently integrate two machines into an existing facility in 14 months. This plant will produce 85,000 tons annually, helping The Newark Group compete as a global leader in the Graphicboard market.

We completed work on SP Newsprint’s Newberg Cogen Project in a very short time frame, fulfilling our client’s need to define scope, output, and cost to secure project funding. On the strength of our performance we were awarded detail design engineering for this project. Also, for a major producer of lightweight-coated paper we recently finished engineering services on a paper machine conversion project. Our proactive efforts on this project contributed to our earning two 100 percent client survey ratings.

Ahead, experts anticipate renewed capital spending in both U.S. consumer products and the printing & writing business segment. We expect more transatlantic activity as European manufacturers expand their operations in the U.S. and vice versa. As our clients respond to consumer demands in these segments, we support them with expanded services and locations, helping them remain competitive in this global market.



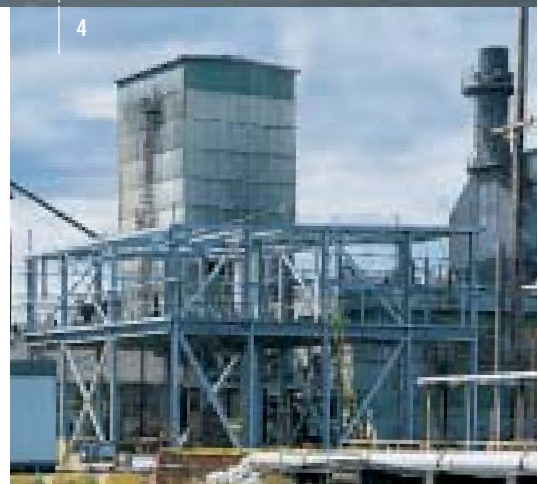


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PULP & PAPER

1. A Major Producer of Lightweight-Coated Paper, South Carolina
2. Inland Paperboard and Packaging, Inc., Orange, Texas
3. Kimberly-Clark, Romagnano, Italy
4. SP Newsprint, Newberg, Oregon



“You stepped up to the plate at a very critical time when we needed engineering resources to keep the silos work going. You committed to quickly staff up and take over ongoing design for Silo 3 and the Advanced Waste Retrieval of the Silos 1 & 2 material. This required more than triple the staffing planned for silos work and yet you lived up to your commitment. I appreciate your support which is contributing substantially to closure in 2006.”

STEPHEN MCCrackEN,
Director, Fernald Environmental
Management Project
U.S. Department of Energy,
Fernald, Ohio

FEDERAL PROGRAMS

This year both U.S. Department of Defense (DOD) and Department of Energy (DOE) clients tightened funding on non-defense programs, focused on global asset protection, and pushed for accelerated site cleanup. With in-depth site, operations & maintenance, and environmental expertise, plus understanding of cost- and schedule-improving contract strategies, we support our clients in achieving these goals.

Since the U.S. Air Force Center for Environmental Excellence's (AFCEE) inception 11 years ago, we have provided a broad range of environmental services at more than 30 sites worldwide. Currently at Otis Massachusetts Military Reservation (MMR), we continue environmental remediation services under our sole-source Plume Response Program. In partnership with AFCEE, we currently conduct system performance and long-term monitoring activities at MMR to verify that remedial treatment systems meet their design objectives, while minimizing community and ecosystem impacts. Our efforts have reduced monitoring requirements and lifecycle costs, and fostered positive relationships with local regulators and stakeholders.

In our eighth year of the U.S. Army Corps of Engineers Alaska District's Total Environmental Restoration Contract, we continue to apply sound technical work and strong relationship-building to perform remote cleanup activities. In 2002 we successfully restored 18 sites at Fort Tidball, on a remote, uninhabited, and logistically challenging island. Working with our client and local stakeholders, we saved our client money during cleanup while preserving the island's environmental, historical, and cultural aspects.

We continue closure site services for the DOE's Rocky Flats Environmental Technology Site, driving a closure date of December 2006—34 years earlier than DOE's original schedule. In addition to our infrastructure work, we have implemented several innovative hazardous waste management solutions this past year. These efforts saved our client \$8.4 million and shaved one year off the schedule, while protecting the site's employees and the environment.

Ahead, we expect continued focus on accelerating site cleanup and more opportunities for operations & maintenance/asset management work. We anticipate our DOD clients preparing for 2005 base realignment and closure activities, and DOE focusing on cleanup and closure of major weapons program sites.

Courtesy of Fernald photography





FEDERAL PROGRAMS

1. U.S. Department of Energy, Oak Ridge, Tennessee
2. U.S. Department of Energy, Fernald, Ohio
3. U.S. Army Engineer District, Alaska TERC, Kodiak, Alaska
4. AFCEE, Cape Cod, Massachusetts



“BP has awarded our BP Carson Site the BP Helios award for superior project performance that has so far translated into a 13 percent savings from average industry costs. We attribute our success at BP Carson to an involved BP and Jacobs management team, an integrated team that includes Jacobs and all our refinery stakeholders, and the disciplined application of a work process that incorporates both BP and Jacobs Best Practices. As our Alliance partner, Jacobs has helped BP Carson set the standard for excellence in project execution.”

RON HAITZ,
Manager of Projects
BP Carson, California

REFINING

North American and European refiners focused investment dollars on clean fuels requirements such as low sulfur gasoline and diesel, NOx reduction, and other emission regulations. U.S. refineries also tackled the methyl tertiary-butyl ether (MTBE) phase-out. In support, we apply best practices honed in long-term client relationships to help meet these requirements as inexpensively as possible.

We continue our 11-year relationship with Flint Hills Resources (FHR), providing integrated project services on their \$145 million Low Sulfur Gasoline Program in Texas. Through this integrated alliance, we apply joint work processes, multi-office execution, and modular construction to achieve FHR’s critical completion requirements, while creating a legacy of better-trained, safety-conscious local workers. To date, our technology recommendations and other Value Plus innovations have documented millions of dollars in net-present-value savings.

For BP we provide engineering, procurement, and construction on large-scale air emission reduction programs at refineries in Texas and Indiana. On one program we employ a multi-site “shared learnings” plan, saving 3 to 4 percent of total installed cost. We continue to provide engineering, procurement, and construction management services for the BP’s Grangemouth, Scotland, site. In 2002 we supported BP in sustaining site capital works totaling \$75 million. We collaborated with BP to optimize work processes and drive capital productivity. During the year, the site reached 5 million workhours without a lost-day work case, of which the capital works contributed 1 million workhours.

We are providing engineering and procurement for Motiva and Deer Park Refining’s flare gas recovery at four refineries in Texas and Louisiana. Applying process expertise, value engineering, and multi-office synergy, we help select and implement the best cost-effective technology to meet environmental protection commitments. To date, we have earned client satisfaction survey scores averaging over 90 percent.

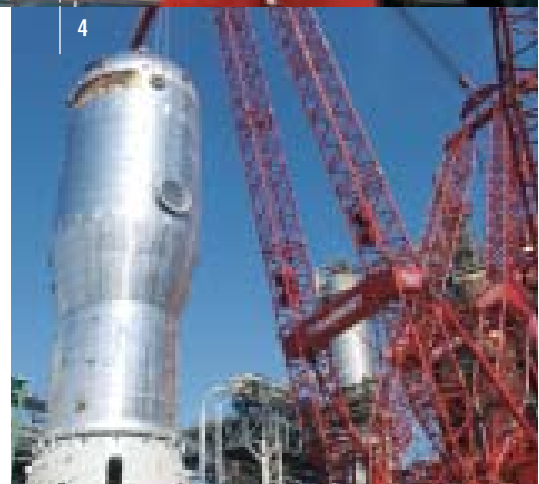
Ahead, our clients face more regulatory work, with emphasis shifting to diesel and off-road fuels cleanup. Government regulations for a renewable (ethanol-blended) fuels standard are also pending. The outlook is promising for refinery upgrade and expansion work in Europe and the Americas.





REFINING

1. BP, Grangemouth, Scotland
2. Chevron, El Segundo Refinery, California
3. A Southern California Refinery
4. Shell, Cat Cracker, Pernis, The Netherlands



FOOD & CONSUMER PRODUCTS

“Over the past four years, the Kellogg/Jacobs Global Alliance has grown stronger, providing real value to the Kellogg Company. Significant capital savings and cost avoidances are key to metrics that continue to quantify the value of the alliance. We look forward to Jacobs’ continued loyalty and dedication to Kellogg Company.”

LEN BENNETT,
Vice President, Engineering
Kellogg Company,
Battle Creek, Michigan

The food industry grows slowly as manufacturers integrate recent consolidations. Our clients focus on optimizing product line efficiency, sanitary design, equipment maintenance, growing demands for convenience foods, and flexible packaging. With our process industry expertise, we help our clients plan more efficient, flexible facilities and increase plant automation to maximize investment returns.

Our successful global alliance continues with the Kellogg Company, performing engineering services at their facilities in North America and Europe. This year saw increased business demand for innovation and productivity improvement initiatives with very aggressive schedules. By continually improving our work practices and applying portable and modular design strategies, we deliver significant value to Kellogg’s, including cost savings and schedule improvements.

In our alliance with Coors Brewing Company, we deliver value on a series of projects at their three U.S. production facilities. Applying process innovations and work best practices, we’ve saved Coors nearly 22 percent of total installed cost on their packaging program in Colorado. Our work on Coors’ new \$90 million bottling line in Virginia resulted in a smooth start up ahead of schedule and 5 percent under budget—with bottling throughput currently exceeding their production goal by 14 percent.

For PepsiCo we are providing project delivery services for a new Greenfield manufacturing facility in Ireland. Continuing a 27-year presence in this country, the new plant will be a state-of-the-art facility to support the growth of PepsiCo brands. In India, we provided project management services for GlaxoSmithKline (GSK) Consumer Healthcare Limited’s new \$60 million Malted Food Production Plant. We established construction safety benchmark standards on this project, performing 6.6 million workhours without a lost-day case—earning an award from GSK.

We expect slow, steady growth for this industry. Our clients are likely to focus on product line consolidations, plant expansions, and efficiency improvements rather than grassroots projects. We support this trend by expanding our relationships with services such as reliability-centered maintenance that help our clients get the most from their facility investment dollars.





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FOOD & CONSUMER PRODUCTS

1. Senoble España, S.A., Noblejas, Spain
2. Coors Brewing Company, #6 Bottle Line, Golden, Colorado
3. ADM, Decatur, Illinois
4. Tropicana, New Fresh Juice Plant, Zeebrugge, Belgium



DEFENSE & AEROSPACE

“It seems that the buzz word in today’s design world is ‘teamwork.’ Jacobs definitely teamed up with our staff. I have heard nothing but positive responses from all disciplines involved in the project design phase. Working with Jacobs has been a pleasure.”

ROBERT T. MATHIS,

Architectural & Specifications

Team Lead

NASA, George C. Marshall Space

Flight Center, Alabama

Global unrest challenges our largest U.S. client in this market—the Department of Defense. Under various contracts, we provided time-critical support to weapons development programs for the Air Force, Marine Corps, Navy, Special Operations Command, and Army. Aerospace work was also robust, as our clients focus on business realignment and infrastructure modernization.

At the Air Force’s Arnold Engineering Development Center in Tennessee—the world’s largest complex of aerodynamic and aeropropulsion ground test facilities—we continue integrated test and evaluation support to defense-critical weapon systems, including the Joint Strike Fighter, the Joint Direct Attack Munition, the Tactical Tomahawk, and the F-22 Fighter. Also, our technical support to the Defense Advanced Research Projects Agency for scramjet flight testing earned us the Air Force Missile Command Test & Evaluation Team of the Year award.

For the National Aeronautics and Space Administration, we perform engineering and integration activities for Nodes 2 and 3, major components of the International Space Station. We maintained the Node 2 launch date by resolving integration issues on the secondary structure, the avionics rack, and internal fluid piping. We have developed integration and testing plans to receive Node 2 at the Kennedy Space Center next year from the Italian Space Agency in Torino, Italy.

We expanded our information technology (IT) market with an Information Technology Support Services contract for the U.S. Army Aviation and Missile Command at Redstone Arsenal in Alabama. Through this 10-year, \$565 million contract, we provide IT support services for automation, data/telecommunications, visual information, and records management.

Our commitment to the Navy broadens with a comprehensive construction management contract for their Engineering Field Activity Mediterranean headquarters and other facilities worldwide. Combining global presence, strong Navy relationship, and private sector experience, we help our client streamline projects and consistently apply industry best practices, regardless of location.

Ahead, we expect numerous new aerospace opportunities in facilities operations and maintenance, infrastructure recapitalization, and scientific engineering support. Our U.S. defense work also grows as clients seek our expertise to continually improve their weapons systems.





DEFENSE & AEROSPACE

1. U.S. Army, Aberdeen Proving Ground, Maryland
2. Arnold Engineering Development Center (AEDC), Arnold AFB, Tennessee
3. Australian Department of Defense, Australia
4. Pentagon Renovation Program, Arlington, Virginia



“The product development capabilities of our new Aero-Acoustic Wind Tunnel are the crowning achievement of our Scientific Laboratories. For more than a decade, Jacobs has been here with us at the DaimlerChrysler Technical Center, working to achieve our vision of an integrated network of unique, extreme-performance test facilities. From beginning to end through all of these projects, Jacobs has been our true partner—providing technology expertise, project delivery know-how, and every special effort we needed to succeed.”

JEAN MALLEYBAY-VACQUEUR,
Director, Scientific Labs
DaimlerChrysler Technical Center,
Auburn Hills, Michigan

AUTOMOTIVE & INDUSTRIAL

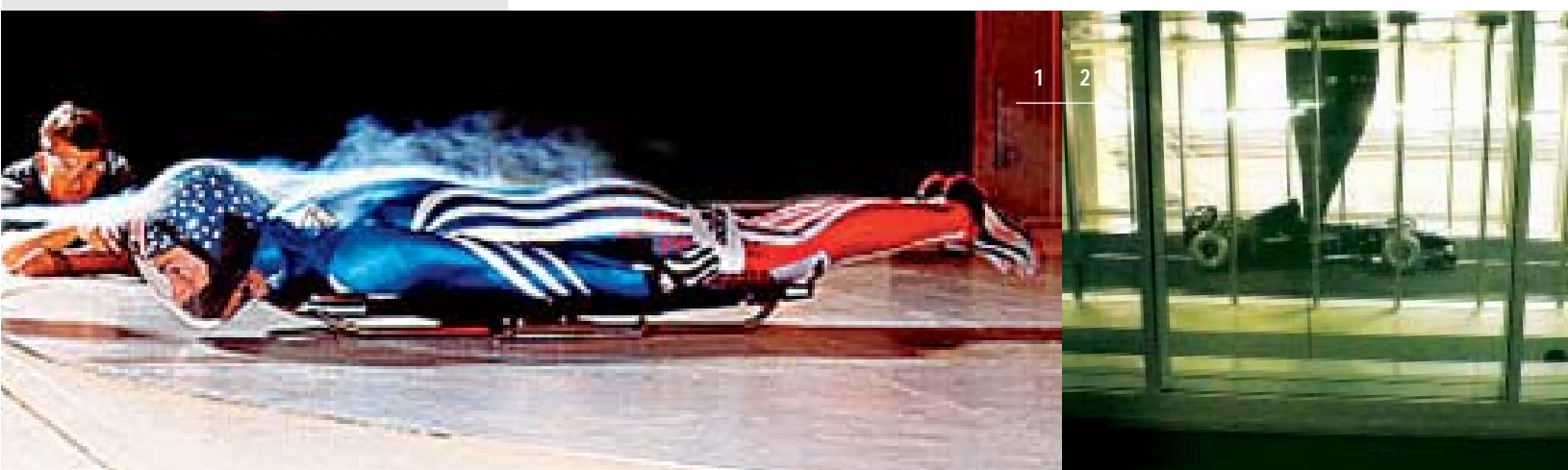
Despite automotive Original Equipment Manufacturers delaying some test facility asset management and capital projects, we saw ample work in this market. Our clients focused on vehicle design and production, turning to us for critical facility functions such as test planning, preventive maintenance programs, and test data analysis.

On DaimlerChrysler's Aero-Acoustic Wind Tunnel project, our design provided high quality airflow and low background noise—enabling our client to develop products with minimum noise levels and exceptional aerodynamics without compromising engine intake performance and underhood/underbody cooling airflows. Our work on DaimlerChrysler projects such as this has earned us five consecutive Gold Awards for superior quality and work ethic.

In Europe, Toyota required a new Italian headquarters to symbolize cultural affinity and acceptance, and reflect their recent success in this country, now their sixth most important market. We provided engineering, procurement, construction management, and commissioning, delivering the facility in only 21 months. Also, we executed the relocation of two combustor test rigs for a confidential engine manufacturer in England, on a very aggressive schedule. Combining our work execution methods and relationships with the client personnel, we performed the work on a fast-track basis with no impact to the client's operational test schedule.

Our industrial work includes engineering, procurement, and construction supervision for a new liquid inks plant in Belgium for SICPA, a major Swiss-based specialty inks manufacturer. The facility will produce up to 30,000 different ink recipes, with improved automation and safety features. Design challenges include process flexibility and batch cross-contamination control. Our front-end value engineering efforts yielded SICPA a net documented saving of more than 10 percent of total installed cost.

Ahead, near-term project potential is strong as automotive market confidence continues to improve. Industry experts anticipate increased quality demands, new product development, and pressure to reduce warranty costs to trigger new testing-related opportunities. With a full suite of well-honed technical skills, we are poised to help our automotive and other industrial clients respond to consumer demands.





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AUTOMOTIVE & INDUSTRIAL

1. Ford Motor Company, Driveability Test Facility, Dearborn, Michigan.
U.S. Olympic Skelton Racer Undergoing Aerodynamic Testing
2. Motorsports Confidential Client, Test Section
3. Toyota Motor Italia, Rome, Italy
4. University of Michigan, Solar Car Testing, Ann Arbor, Michigan



“In addition to excellent engineering work, Jacobs offers input and ideas of better ways to do things. They go the extra mile. Some consultants just do what they think we want, but Jacobs offers better ways to do things, such as keeping the construction costs down.”

JIM WYNN,
Assistant Division Chief,
Project Planning Division
Maryland State Highway
Administration

INFRASTRUCTURE

The infrastructure market grew steadily in 2002. We assisted our airport, transit, and highway clients in identifying innovative financing, alternative funding sources, and cost-effective responses to new government security regulations. Water programs remained healthy, fueled by environmental requirements and population demands.

For the Washington Metropolitan Area Transit Authority (WMATA), we provide design and systems integration for the \$200 million Largo Town Center Extension project. This project adds 3 miles and 2 stations to serve the burgeoning Prince George County area. Supporting WMATA's first-ever design-build program, our fast-track design facilitates incremental construction activities to meet their aggressive schedule.

We are performing design, cost engineering, and procurement on Aer Rianta's EUR130 million Cork Airport expansion in Ireland. Scope includes a passenger terminal, car park, central utilities, site work, airside facilities, and various relocations. Our design incorporates flexibility to meet present and future air traffic demands. The new airport facilitates easier access to the Cork area, important for the city's 2005 designation as European Capital of Culture.

Our 10-year relationship with the Florida Department of Transportation's Turnpike Enterprise continues with ongoing maintenance and traffic engineering management consulting. We support 449 roadway miles, 670 bridges, and nearly 1,100 other structures such as toll and service plazas. Our recent contract renewal adds traffic operations, intelligent transportation system design, and program administration. Working as a true partner, we help the Turnpike streamline its budget while consistently earning the state's highest maintenance and safety ratings.

As Technical Consultant for the 2004 Athens Olympic Committee we provide technical support on the design of the Olympic overlay requirements and monitoring of new venue construction. Our team consists of local Greek specialists supported by experts from the U.S., Australia, and Europe.

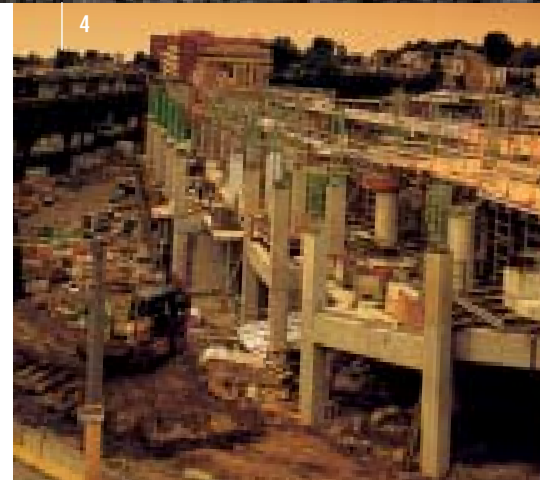
Experts anticipate continued public works demand in 2003, with new tax bonds and referenda funding transportation, aviation, and water projects. Transportation and water & wastewater programs should be strong in both North America and Europe.





INFRASTRUCTURE

1. Government of Greece, Athens Ring Road, Greece
2. Tampa Bay Water, Lake Bridge Water Treatment Plant, Florida
3. Florida Department of Transportation, Peace River Bridge, Punta Gorda, Florida
4. Southeastern Pennsylvania Transit Authority, Franklin Transportation Center, Northeast Philadelphia, Pennsylvania



OIL & GAS

“The Jacobs team is a true partner in the Stork GLT consortium, executing the renovation and maintenance of the Groningen Long-Term Project. The consortium continues to produce improving results on safety, cost, quality, and schedule. Also, the consortium delivered the latest cluster with ‘zero punchlist items’ which resulted in a record start-up time. This really exceeded the expectations of NAM as well as my personal expectations.”

HENK NIEZEN,
Manager GLT
Nederlandse Aardolie Maatschappij,
The Netherlands

High oil and natural gas prices boosted production, driving producers to maximize profits by reducing downtime and turnarounds. Our gas clients addressed demands for additional supply sources and infrastructure development. In Canada, we significantly advanced our position in the Alberta oil sands business. There are also growth opportunities in the North Sea to provide cost-effective marginal field development and improve existing field economics.

We continue work with the Nederlandse Aardolie Maatschappij (NAM), a Shell/Esso joint venture, performing engineering design to develop marginal gas fields in the Dutch North Sea. Collaborating with NAM and Shell Global Solutions International (SGSI) and applying SGSI's patented suction pile technology, we developed the unique, standardized “Minimum Wellhead Facilities” design. This concept significantly reduces installed cost, giving NAM new opportunities for marginal field development. In our long-term services agreement with TotalFinaElf, we completed front-end engineering for the L4G Wellhead Platform. Our best-in-class safety and environmental practices support TotalFinaElf's goal for recognition as a world leader in health, safety, environmental protection, and quality.

For ExxonMobil, we provide engineering, procurement, and construction for the LaBarge Gas Injection and Cogeneration Project at their Shute Creek Treating Facility in Wyoming—North America's largest gas injection facility. In addition to delivering the 65-million-standard-cubic-foot-per-day gas injection facilities and three General Electric Frame 6B cogeneration gas turbines, our debottleneck modifications enhance the existing plant's reliability and throughput.

As part of Canadian Natural Resources Limited's (CNRL) multi-billion-dollar Horizon Oil Sands Project, we execute the engineering of their bitumen upgrader support facilities. Our sulfur recovery, amine regeneration, and sour water stripping designs help CNRL set new environmental standards for the oil sands industry. We also expand our 37-year relationship with Suncor, providing maintenance services with engineering to support their Firebag Oil Sands Program in Canada.

Ahead, oil and natural gas prices should remain relatively high. Worldwide natural gas discovery and transport activities create opportunities in gas processing and sulfur removal, liquefied natural gas receiving and storage, and gas-to-liquids conversion. We also expect continued aggressive development of the Alberta oil sands reserves.

Image courtesy of Syncrude Canada Ltd.



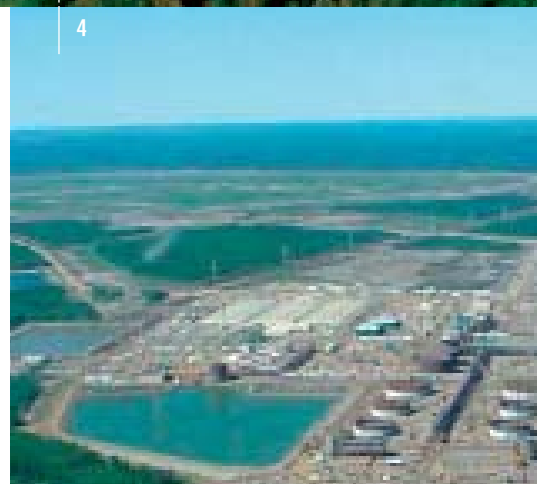


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OIL & GAS

1. Nederlandse Aardolie Maatschappij (NAM), Groningen Long-Term Project, Phase II, The Netherlands
2. Syncrude Canada Ltd., Fort McMurray, Alberta, Canada
3. Imperial Oil Limited, Cold Lake Project Phases 11-13 (Mahkeses), Cold Lake, Alberta, Canada
4. Albion Sands, Fort McMurray, Alberta, Canada



“We had the opportunity to expand our purified acid business but needed to expedite the project to meet market demands. Jacobs suggested a modular approach that allowed us to permit, design, and construct a new plant in a timely, cost-efficient manner. Jacobs provided strong technical support during the design phase and has shown excellent construction management skills during the construction phase aided by an exemplary safety program. Jacobs’ suggestion and implementation has been the key to an ongoing successful project.”

BRAD PEACOCK,

Director, Industrial Phosphates

PCS Phosphate, Aurora, North Carolina

BASIC RESOURCES

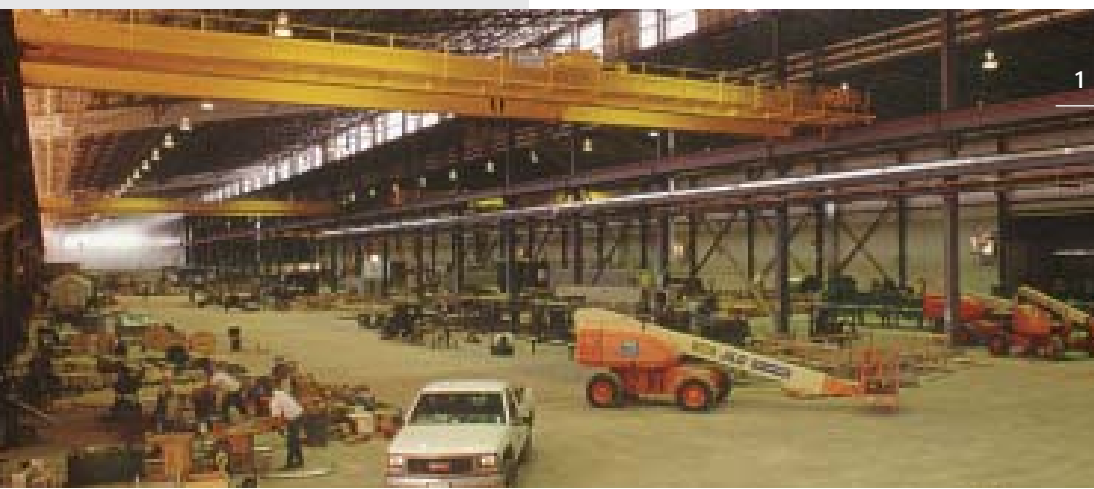
This was a challenging year for Basic Resources. In a fiercely competitive global market, our clients continued consolidating their businesses, diversifying products, and increasing efficiency to improve profit margins. The Western metals mining industry showed minimal facility investment, with low commodity prices and stringent environmental regulations sending new work overseas.

Our total project delivery work continues for PCS Phosphate’s \$80 million Purified Acid Facility in North Carolina. With 32 barge-shipped process units, we combined modular and single point delivery approaches to shave six months off the project schedule, helping PCS gain competitive market share. Using modules also mitigated local labor shortages and improved construction safety. PCS’s confidence shows in client satisfaction survey scores averaging 94 percent for this project.

For Newmont, the world’s largest gold mining company, we follow our design with procurement and construction support services for a new conveying and stacking system, infrastructure expansion, and other support. This upgrade will handle 2500 metric tons per hour, and help extend the mine’s life by a decade. The cost-efficient design exceeded throughput requirements and facilitated an estimated 12 percent budget underrun.

We continue our relationship with Group Office Cherifien des Phosphates (OCP), a global leader in phosphatic production, at their two sites in Morocco. For Jorf Lasfar, we are providing basic engineering services on a diammonium phosphate (DAP) granulation debottlenecking and expansion project. This work boosts our client’s DAP capacity 50 percent, increases plant reliability, reduces operating costs, and improves air quality. At their Safi site, we provide detailed engineering on an environmental sulfur dioxide emissions project for one of their sulfuric acid plants.

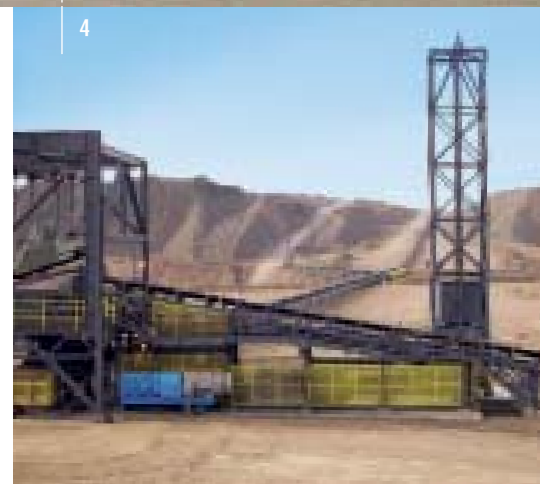
Ahead we expect continued product diversification in basic resources, with phosphate mining replacement capacity emerging long-term. Metals opportunities will likely remain flat in the Western markets, with more activity in areas such as South America, Australia, and Africa. Combining our technical expertise with innovative project delivery approaches such as modular fabrication, we help our basic resources clients optimize new product lines with better safety, lower costs, and improved speed to market.





BASIC RESOURCES

1. Cerro Copper, Tube Mill Project, Cedar City, Utah
2. Office Cherifien des Phosphates, Casablanca, Morocco
3. PCS Phosphate, Pure Acid Facility, Aurora, North Carolina
4. Newmont Mining Corporation, Denver, Colorado



CHEMICALS & POLYMERS

“Our Bayport Extruder Modernization Project had numerous obstacles. Jacobs’ staff stepped out of the box and not only searched out innovative changes, but also reexamined the project for potential pitfalls. This benefited the project by reducing rework and increasing efficiencies, demonstrating the team’s willingness to challenge ‘normal’ designs. Congratulations on a great team!”

JERRY KOHLER,

Project Manager

ATOFINA Petrochemicals, Inc.,

La Porte, Texas

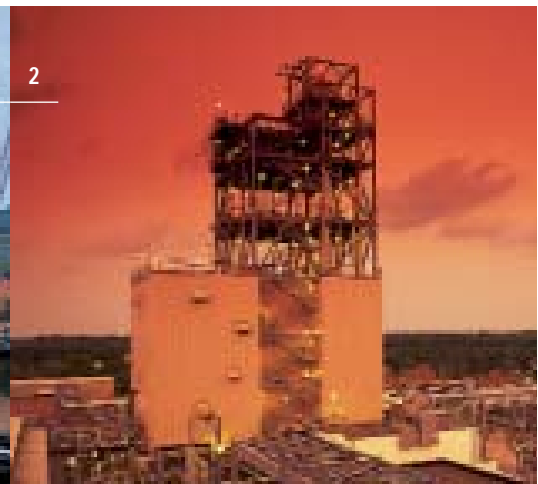
This market remains flat, with some improvement in specialty chemicals. Our clients focus on keeping operating costs down until the market strengthens. To support this we apply best business practices on small capital and maintenance work, leveraging synergy and resources within our alliances and partnerships.

Continuing our global alliance with Rohm and Haas, we provide engineering, procurement, construction, construction management, maintenance, and professional resource staffing at more than 25 chemical facilities in Europe, North America, Latin America, and Asia. For example, our project services support Rohm and Haas' capital program associated with adhesives, sealants, coatings, and chemical specialty products at several sites in France and Italy. Overall, our value enhancing practices and procurement innovations have contributed to a documented savings of greater than \$20 million since alliance inception.

In Belgium, Noveon Europe wants to increase production capacity for one of their specialty polymers, used in industrial and consumer applications. We are providing engineering, procurement, and construction management services to add more capacity and optimize the existing plant layout for future expansion. Our stringent safety program helps Noveon continue their plant's sterling safety record—2,800 days of accident-free operation since its start in 1995.

In our relationship with BP, we perform engineering, procurement, and construction on significant air emissions reduction programs at several chemical sites in Texas. Through stringent adherence to work processes and multi-site execution efficiency, we help BP inexpensively meet environmental mandates for NOx and highly reactive volatile organic compound reduction. For Rubicon, we perform ongoing maintenance and other field services at their polyurethanes manufacturing facility in Louisiana. As an integrated team, we've streamlined Rubicon's maintenance workforce by 32 percent, realized a 5 percent cost savings, bolstered labor relations, and improved craft workforce quality. Through our Value Plus program we've saved our client \$2.5 million.

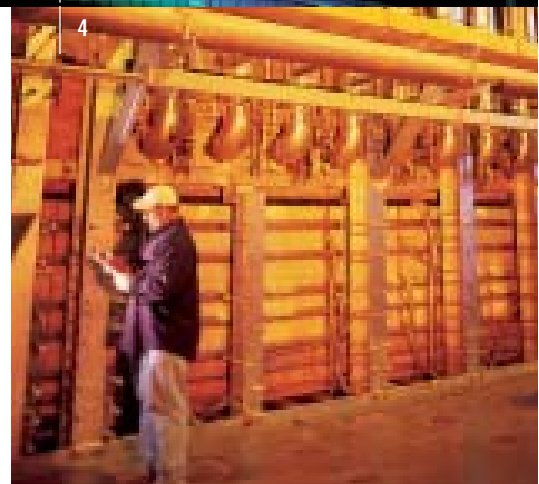
We see recovery ahead for chemicals, particularly in plastics such as polyvinyl chloride, polystyrene, polyethylene, and polypropylene. Based on current demand and growth, major capital investments are likely to improve by late 2003, with proactive companies in feasibility planning now.





CHEMICALS & POLYMERS

1. Mitsubishi, Line 9 Expansion Project, Greer, South Carolina
2. ATOFINA, Bayport, Texas
3. GE Plastics, Glasgow, Scotland
4. Owens Corning, Amarillo, Texas



“I feel like it’s a family affair. We have really built a trusting relationship, and we do honestly believe that Jacobs has our best interest at heart. They have done everything, from helping us pass a bond to land acquisition to finance strategies. We feel they have looked out for us.”

DR. CAROLYN MCKENNAN,
Superintendent
Morgan Hill Unified School District,
California

BUILDINGS

Bolstered by taxpayer bond and tax referendum support, our education clients expanded and upgraded facilities to meet the rising tide of students. U.S. federal agencies realigned capital priorities to respond to homeland security needs. We continued to capture significant justice and healthcare projects, plus expansion programs for our public and private sector clients worldwide.

For the Banque de France, we provided engineering, procurement, and construction management services, supporting their program to distribute the Euro and collect the French franc. We developed five distribution centers to help our client meet vital schedule demands. We also coordinated countrywide rollout of the Euro—the largest French logistics operation managed in peacetime. Our contributions helped the Banque achieve an outstanding 94 percent approval rating for its handling of the Euro rollout. Also, our project services help the Municipality of Milan, Italy, convert a former industrial site into a contemporary art museum—enhancing the city’s image as Europe’s fashion and cultural capital. We were selected for our successful delivery of Milan’s highly regarded Politechnical Institute.

Now on our second consecutive five-year contract with the Internal Revenue Service (IRS), we continue our important role in optimizing their organization and facilities. Our design and construction management services for four new Operating Division Headquarters created a better infrastructure for tax collection—helping the IRS respond to the Restructuring and Reform Act that mandated improvement in meeting taxpayer needs.

We recently completed the \$137 million, 572,000-square-foot New Castle County Courthouse in Delaware. Services included construction management, building commissioning, telecommunication design, and relocation management for nearly 800 occupants. Our value engineering efforts identified savings of \$22 million—funds instrumental in completing site remediation on property slated for the courthouse garage.

Looking ahead, health and research institutions are implementing large programs to make themselves competitive and planning the first wave of biocontainment facilities. Also, our Justice clients plan several billion-dollar expansions in Europe. Drawing on our diverse services, we customize our proven project delivery approach to meet each of our client’s unique facilities objectives.



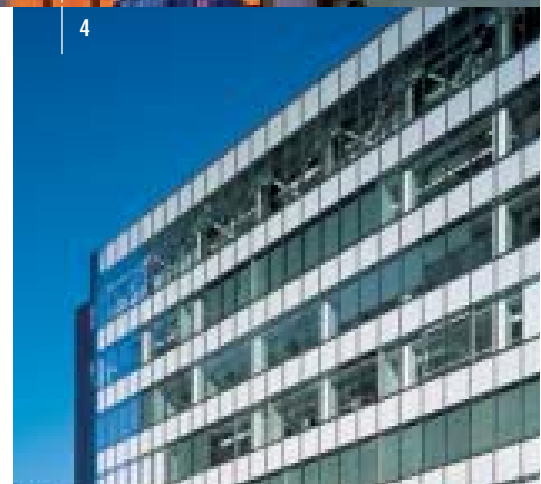


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BUILDINGS

1. Montauban Hospital, Montauban, France
2. Maricopa County, Jail Expansion Program, Phoenix, Arizona
3. Sogeprom, Edouard VII Block Renovation, Paris, France
4. Polytechnic University, Brooklyn, New York



FINANCIAL PERSPECTIVE

“Jacobs’ unique relationship-based business model remains at the core of its success, providing investors with a lower degree of business risk and consistent returns. Jacobs offers its low-cost operating structure along to their clients, saving the clients money and further aiding in solidifying the relationships. Few industrial companies have offered shareholders the consistent, low-beta returns and growth that Jacobs has offered.”

MICHAEL S. DUDAS, CFA, *Bear Stearns*

“With Jacobs maintaining a broad portfolio of services through market diversity as well as being committed to its relationship-based business model, we believe Jacobs will continue to deliver consistent 15 percent annual earnings growth. We continue to consider Jacobs the premier engineering and construction firm, based upon its historical performance, growth prospects, strong client relations, and diverse portfolio of capabilities.”

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

“We’ve come to expect strong performances from Jacobs. Their strategy remains unique—and it works. Their long-term goal of 15 percent growth through expanding relationships and building on small, diversifying acquisitions is fully in place.”

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

FORWARD-LOOKING STATEMENTS AND OTHER SAFE HARBOR APPLICATIONS

Statements included in this 2002 Summary Annual Report that are not based on historical facts are “forward-looking statement”, as that term is defined 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’s clients operate, and the services the Company provides. By their nature, such forward-looking statements involve risks and uncertainties. The Company has tried, wherever possible, to identify such statements by using words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and words and terms of similar substance in connection with any discussion of future operating or financial performance. 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 including the following: increase in competition by foreign and domestic competitors; changes in global business, economic, political, and social conditions; availability of qualified engineers, architects, designers, and other professional staff needed to execute contracts; the timing of new awards and the funding of such awards; cancellations of, or changes in the scope to, existing contracts; 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 any governmental audits, investigations, or proceedings; the cyclical nature of the individual markets in which the Company’s customers operate; delays or defaults by customers in making payments due under contracts; and the successful closing and/or subsequent integration of any merger or acquisition transaction. 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 2002 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 OF 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 2002 audited, consolidated financial statements, together with the notes thereto, appear as Exhibit F to the Company's Proxy Statement for its 2003 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 2002 consolidated financial statements is also contained in Exhibit F 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, 2002 and 2001, 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, 2002 (not presented separately herein) and in our report dated October 30, 2002, 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.

Los Angeles, California
October 30, 2002

Ernst & Young LLP

SELECTED FINANCIAL DATA

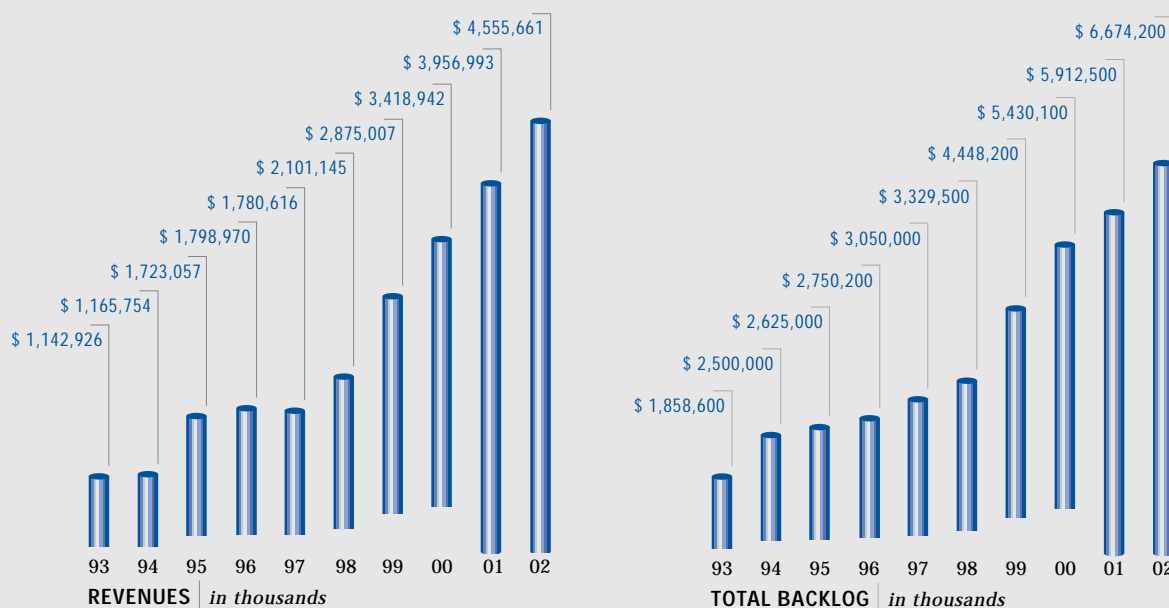
For Fiscal Years Ended September 30 (In thousands, except per share information)

	2002	2001	2000	1999
Results of Operations:				
Revenues	\$ 4,555,661	\$ 3,956,993	\$ 3,418,942	\$ 2,875,007
Net earnings	109,690	87,760	50,981	65,445
Financial Position:				
Current ratio	1.32 to 1	1.35 to 1	1.24 to 1	1.25 to 1
Working capital	\$ 234,486	\$ 245,500	\$ 167,160	\$ 144,638
Current assets	974,903	946,159	851,023	729,620
Total assets	1,673,984	1,557,040	1,384,376	1,220,186
Long-term debt	85,732	164,308	146,820	135,371
Stockholders' equity	689,613	591,801	495,543	448,717
Return on average equity	17.12 %	16.14 %	10.80 %	15.96 %
Backlog:				
Technical, professional services	\$ 3,045,600	\$ 2,490,100	\$ 2,217,200	\$ 1,628,100
Total	6,674,200	5,912,500	5,430,100	4,448,200
Per Share Information:				
Basic EPS	\$ 2.03	\$ 1.65	\$ 0.97	\$ 1.27
Diluted EPS	1.98	1.61	0.96	1.24
Stockholders' equity	12.45	10.86	9.36	8.47
Average Number of Common Stock and Common Stock Equivalents Outstanding (Diluted)	55,396	54,496	52,947	52,956

Per share information for prior fiscal years have been restated to reflect the Company's two-for-one stock split effected in the form of a 100% stock dividend and distributed to shareholders on April 1, 2002.

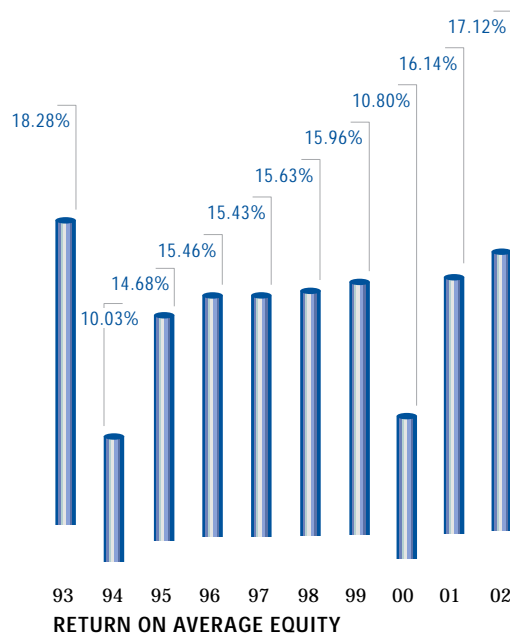
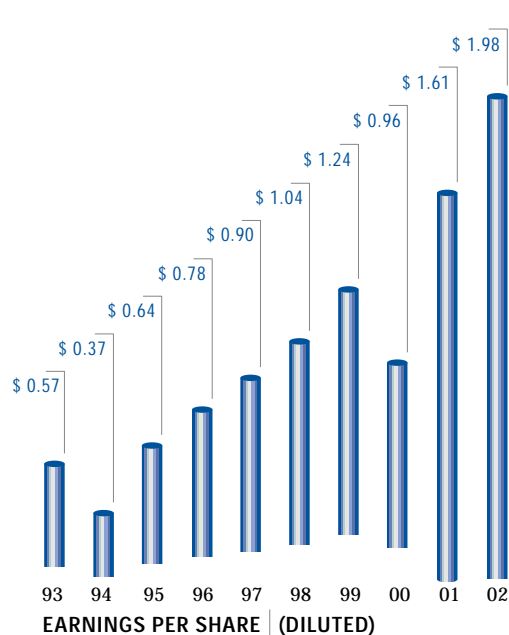
Net earnings for fiscal 2000 included an after-tax charge of \$23.7 million, or \$0.45 per diluted share, relating to the settlement of certain litigation.

Backlog for fiscal years 1999, 2000, and 2001 has been reclassified between its principal components in order to conform to the fiscal 2002 presentation.



1998	1997	1996	1995	1994	1993
\$ 2,101,145 54,385	\$ 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
1.54 to 1	1.56 to 1	1.68 to 1	1.44 to 1	1.41 to 1	1.61 to 1
\$ 197,659	\$ 178,203	\$ 155,569	\$ 113,339	\$ 106,058	\$ 100,688
566,007	497,361	383,644	368,614	367,485	264,949
807,489	737,643	572,505	533,947	504,364	351,020
26,221	54,095	36,300	17,799	25,000	-
371,405	324,308	283,387	238,761	200,433	173,797
15.63 %	15.43 %	15.46 %	14.68 %	10.03 %	18.28 %
\$ 1,004,500	\$ 912,057	\$ 845,300	\$ 828,400	\$ 793,060	\$ 736,600
3,329,500	3,050,000	2,750,200	2,625,000	2,500,000	1,858,600
\$ 1.06	\$ 0.91	\$ 0.79	\$ 0.64	\$ 0.38	\$ 0.58
1.04	0.90	0.78	0.64	0.37	0.57
7.12	6.24	5.47	4.70	3.98	3.48
52,192	51,978	51,842	50,768	50,346	49,929

Net earnings for fiscal 1994 included special charges totaling \$10.2 million, or \$0.20 per diluted share.



CONSOLIDATED BALANCE SHEETS

September 30, 2002 and 2001 (In thousands, except share information)

	2002	2001
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 48,469	\$ 49,263
Receivables	845,360	817,160
Deferred income taxes	66,609	64,651
Prepaid expenses and other	14,465	15,085
Total current assets	974,903	946,159
Property, Equipment and Improvements, Net	149,905	149,979
Other Noncurrent Assets:		
Goodwill, net	390,953	317,664
Other	158,223	143,238
Total other noncurrent assets	549,176	460,902
	\$ 1,673,984	\$ 1,557,040
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	\$ 5,962	\$ 19,688
Accounts payable	229,579	197,712
Accrued liabilities	322,618	295,763
Billings in excess of costs	155,114	163,833
Income taxes payable	27,144	23,663
Total current liabilities	740,417	700,659
Long-term Debt	85,732	164,308
Other Deferred Liabilities	152,340	95,174
Minority Interests	5,882	5,098
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 - 54,765,374 and 26,872,358 shares, respectively	54,765	26,872
Additional paid-in capital	110,778	105,612
Retained earnings	568,957	472,010
Accumulated other comprehensive loss	(42,582)	(10,620)
	691,918	593,874
Unearned compensation	(2,305)	(2,073)
Total stockholders' equity	689,613	591,801
	\$ 1,673,984	\$ 1,557,040

CONSOLIDATED STATEMENTS OF EARNINGS

For the Years Ended September 30, 2002, 2001 and 2000 (In thousands, except per share information)

	2002	2001	2000
Revenues	\$ 4,555,661	\$ 3,956,993	\$ 3,418,942
Costs and Expenses:			
Direct costs of contracts	(3,971,984)	(3,452,320)	(2,983,247)
Selling, general and administrative expenses	(411,307)	(360,821)	(311,082)
Operating Profit	172,370	143,852	124,613
Other (Expense) Income:			
Interest income	2,359	3,718	3,961
Interest expense	(7,496)	(11,705)	(11,420)
Miscellaneous income, net	1,521	2,341	2,168
Provision for litigation settlement	-	-	(38,000)
Total other expense, net	(3,616)	(5,646)	(43,291)
Earnings Before Taxes	168,754	138,206	81,322
Income Tax Expense	(59,064)	(50,446)	(30,341)
Net Earnings	\$ 109,690	\$ 87,760	\$ 50,981
Net Earnings Per Share:			
Basic	\$ 2.03	\$ 1.65	\$ 0.97
Diluted	\$ 1.98	\$ 1.61	\$ 0.96

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2002, 2001 and 2000 (In thousands)

	2002	2001	2000
Cash Flows from Operating Activities:			
Net earnings	\$ 109,690	\$ 87,760	\$ 50,981
Depreciation and amortization of property, equipment and improvements	35,087	31,388	33,192
Amortization of goodwill	-	7,552	6,906
Other, net (primarily changes in the working capital accounts)	15,986	(111,592)	(9,778)
Net cash provided by operating activities	160,763	15,108	81,301
Cash Flows from Investing Activities:			
Acquisitions of businesses, net of cash acquired	(43,529)	(28,605)	(27,284)
Net additions to property and equipment	(31,806)	(26,945)	(41,012)
Other, net	(17,196)	(8,078)	(38,409)
Net cash used for investing activities	(92,531)	(63,628)	(106,705)
Cash Flows from Financing Activities:			
Net (repayments of) proceeds from long-term borrowings	(117,899)	16,887	25,656
Proceeds from issuances of common stock	21,672	18,198	16,006
Purchases of common stock for treasury	(2,003)	(9,523)	(13,714)
Other, net	33,527	6,589	14,899
Net cash (used for) provided by financing activities	(64,703)	32,151	42,847
Effect of Exchange Rate Changes	(4,323)	(216)	(5,077)
(Decrease) Increase in Cash and Cash Equivalents	(794)	(16,585)	12,366
Cash and Cash Equivalents at Beginning of Period	49,263	65,848	53,482
Cash and Cash Equivalents at End of Period	\$ 48,469	\$ 49,263	\$ 65,848
Other Cash Flow Information:			
Interest paid	\$ 6,156	\$ 11,070	\$ 11,820
Income taxes paid	\$ 41,138	\$ 29,595	\$ 19,527

PRINCIPAL OFFICE LOCATIONS & SHAREHOLDER INFORMATION

PRINCIPAL OFFICE LOCATIONS

Anchorage, AK 907.563.3322	Cypress, CA 714.503.3400	Leiden, The Netherlands 31.71.582.7111	Paris, France 33.1.45.70.50.00
Antwerp, Belgium 32.3.540.9411	Dallas, TX 214.424.7500	London, England 44.208.688.4477	Pasadena, CA 626.578.3500
Arlington, VA 571.218.1000	Denver, CO 303.462.7000	Madrid, Spain 34.91.353.51.00	Philadelphia, PA 610.238.1000
Baton Rouge, LA 225.769.7700	Dublin, Ireland 353.1.269.5666	Magdeburg, Germany 49.39.17.3850	Phoenix, AZ 480.763.8600
Boston, MA 617.742.8060	Glasgow, Scotland 44.141.332.8645	Manchester, England 44.161.741.7800	Portland, OR 503.624.3000
Calgary, Canada 403.258.6411	Green Bay, WI 920.336.7786	Milan, Italy 390.22.509.81	Reading, England 44.118.963.5000
Canberra, Australia 61.2.6230.6972	Greenville, SC 864.676.6000	Mumbai, India 91.22.2824.4873	St. Louis, MO 314.335.4000
Charleston, SC 843.824.1100	Houston, TX 832.351.6000	New York, NY 212.268.1500	Seattle, WA 425.452.8000
Cincinnati, OH 513.595.7500	Indianapolis, IN 317.423.4300	Oak Ridge, TN 865.220.4800	Singapore, Singapore 65.6890.1960
Cork, Ireland 353.21.451.5777	Lakeland, FL 863.665.1511	Orlando, FL 407.903.5001	Tulahoma, TN 931.455.6400

AFFILIATED COMPANY

Uhde Jacobs Mexico SA de C.V.
Mexico City, Mexico
52.55.5284.0200

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.melloninvestor.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



“The project came in \$3 million under budget and on schedule, but most importantly there were no recordable injuries in over 300,000 hours worked. We were very pleased to work with Jacobs and look forward to doing it again in the near future. There was a true team atmosphere.”

TIM DANNELS, Plant Leader, Composites System Business
Owens Corning, Amarillo, Texas





JACOBS

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