





“Our company developed a personality of its own that is an amalgam of all the early influences upon it. If I were to characterize that personality, with pardonable immodesty, I would say it has: pride without arrogance, professionalism without being hidebound, integrity without self-righteousness, and daring without foolhardiness.”

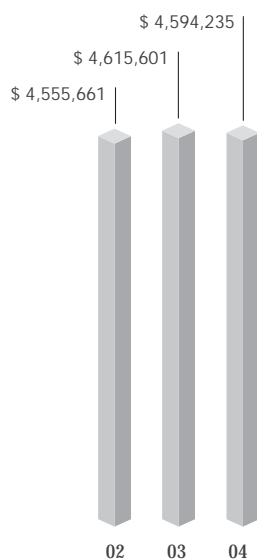
DR. JOSEPH J. JACOBS, FOUNDER
1916-2004



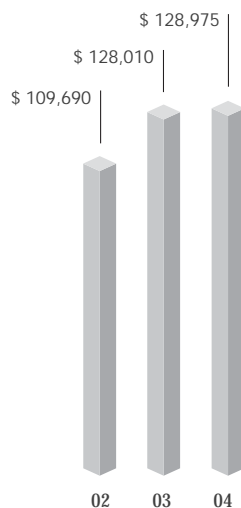
SELECTED FINANCIAL HIGHLIGHTS

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

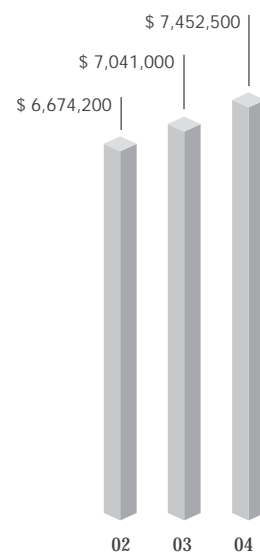
	2004	2003	2002
Revenues	\$ 4,594,235	\$ 4,615,601	\$ 4,555,661
Net earnings	128,975	128,010	109,690
Per share information:			
Basic EPS	\$ 2.30	\$ 2.32	\$ 2.03
Diluted EPS	2.25	2.27	1.98
Net book value	17.50	14.93	12.45
Closing year-end stock price	38.29	45.10	30.88
Total assets	\$ 2,071,044	\$ 1,670,510	\$ 1,673,984
Stockholders' equity	1,005,027	842,083	689,613
Return on average equity	13.97 %	16.71 %	17.12 %
Stockholders of record	1,016	961	986
Backlog:			
Technical professional services	\$ 3,989,000	\$ 3,383,200	\$ 3,045,600
Total	7,452,500	7,041,000	6,674,200
Permanent staff	24,400	21,100	21,900



REVENUES
in thousands



NET EARNINGS
in thousands



TOTAL BACKLOG
in thousands

| LETTER TO SHAREHOLDERS

To Our Shareholders

Fiscal year 2004 was challenging, with essentially flat profits on a year-over-year basis. We earned \$129 million (\$2.25 per diluted share) on revenues of \$4.594 billion in 2004 versus \$128 million (\$2.27 per diluted share) on revenues of \$4.616 billion in 2003. Total backlog increased to \$7.5 billion from \$7.0 billion a year earlier. Operating cash flow remained strong at \$88 million. Even though we made two acquisitions during the course of the year, our net cash balance (cash less bank debt) at year-end was \$20 million.

Dr. Joseph J. Jacobs

Dr. Jacobs, our founder and chairman, died in October of 2004 at the age of 88. Dr. Jacobs founded our company in 1947, operating as both a chemical engineering consultant and a manufacturer's representative for process equipment. With his leadership and vision, our company grew to its current size of over 35,000 people providing technical, professional, and construction services around the globe.

Dr. Jacobs received many notable awards during the course of his lifetime, but none more prestigious than the Hoover Medal, which recognizes the civic and humanitarian achievements of professional engineers. President Ronald Reagan presented the Hoover Medal to Dr. Jacobs in 1983.

All of us who knew him sorely miss Dr. Jacobs. We commit to carry forward the spirit and values upon which he founded this company.

Strategic Growth

Fiscal Year 2004 continued our geographic and market diversification. We established or acquired operations in several new countries, which positions us for continued growth.

Most significantly, we expanded our presence in the Infrastructure market, which is the world's largest services business, with two acquisitions. First, we purchased Leigh-

Fisher, a leading international airport consulting firm. We followed that by acquiring Babtie Group, a leading technical and management consultancy headquartered in the U.K. Adding Babtie to our existing U.K. operations makes us one of the largest providers of Infrastructure services in the U.K. and Western Europe, and expands our operations to Hong Kong and the Czech Republic. These acquisitions bring us to approximately 5,500 people in the Infrastructure business worldwide, forming a launching pad to grow significantly in this market over the next few years.

Our Oil and Gas business, which remains a very strong market globally, grew considerably during the course of the year. We purchased a 34 percent ownership in Fortum's Neste engineering operations, which substantially increases our refining and chemical skill base in Western Europe. It also gives us geographic expansion into Finland and other parts of Scandinavia. Significant activity in the refining business is also driving Oil and Gas as our customers look to modify their facilities for different types of crude while simultaneously expanding capacity.

Our National Government business was another area of strong growth. We continue to provide a wide range of services including weapons acquisition support; environmental restoration; design, operations, and maintenance of test facilities; engineering and scientific support for space operations; and IT outsourcing services. This business should continue to grow at double-digit rates for the near future.

The Pharmabio business was slower than we expected due to significant project delays. However, as we look forward, our prospects for growth are solid. Our Buildings business, while somewhat flat in 2004, should resume a strong growth trend in 2005.

While our Chemicals business was slow, our chemical clients have experienced a major improvement in their profitability throughout 2004 and are now discussing major capital

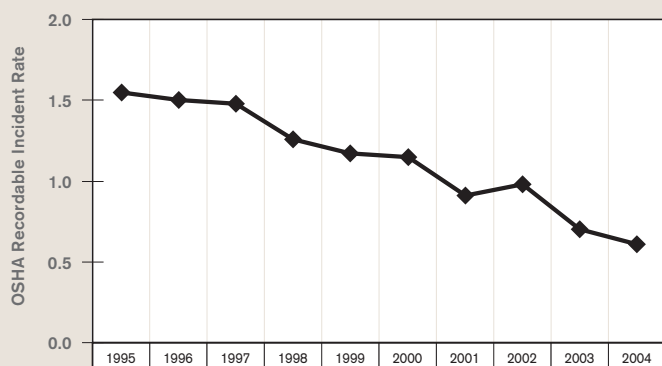
programs with us. We believe that 2005 and 2006 should see considerable new chemical investment. Our High Technology and Pulp & Paper businesses remained weak.

Overall, we expect most of the markets we serve to improve in 2005, which should fuel renewed growth for next year and beyond.

Safety

We continued our intense focus on safety and the results were gratifying, with significant improvement in our statistics for the second year in a row. After improving our OSHA incident rate by a little more than 15 percent in 2003, in 2004 we stepped that up to a 25 percent improvement and lowered our total incident rate for all employees to 0.61. As good as this number appears to be, it is not good enough. We expect to drive our OSHA incident rate below 0.5 as we continue our journey to completely eliminating accidents from the workplace.

Jacobs Incident Rates by Year



Client Satisfaction

The cornerstone of our relationship-based business model is delighting our clients. To track our progress in achieving this fundamental goal, we have conducted client surveys for more than a decade. Last year we improved our average client

survey results by a full two percentage points to 87 percent. Client delight is a long journey; we continue our drive to raise our average survey scores well above 90 percent, with zero dissatisfied clients.

As in past years, 80 percent of our business comes from long-term client relationships. These long-term clients trust us with ever-larger shares of their business and more complex projects as we continue to prove we can deliver superior value.

Board Events

In 2004, the Honorable Peter Dailey retired from our Board of Directors. In addition to a long business career, Peter represented the U.S. government as both Ambassador to Ireland and a special envoy to NATO. He served on our Board for 13 years and contributed much to our international growth.

We are very pleased to welcome Ed Fritzky, who joined our Board in 2004. Ed's long career in the pharmaceutical business includes service as chief executive officer, president, and chairman of the board of Immunex Corporation, a major biotechnology company. Ed brings a wealth of knowledge to help guide our Pharmabio business, one of our major markets.

We have always been very pleased with our Board of Directors and with the breadth and depth of their contributions to our success. With ten independent directors and only two insiders, this truly outstanding board provides the type of oversight our shareholders deserve.

We thank all of you—our clients, our shareholders, and our employees—for your enthusiastic and loyal support over the year. With your support, there is no limit to what we will accomplish.

CRAIG L. MARTIN
President

NOEL G. WATSON
Chairman and CEO

BOARD OF DIRECTORS



(left to right)

NOEL G. WATSON

Chairman of the Board and Chief Executive Officer

CRAIG L. MARTIN

President



(left to right)

LINDA FAYNE LEVINSON

Director (Former Partner of GRP Partners)

THOMAS M.T. NILES

Director (President of United States Council for International Business, Former Ambassador to Canada)

DAVID M. PETRONE

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

DALE R. LAURANCE

Director (President of Occidental Petroleum Corporation)



(left to right)

EDWARD V. FRITZKY

Director (Director of Amgen; Former President and Chairman of the Board of Immunex Corporation)

ROBERT C. DAVIDSON, JR.

Director (Chairman and Chief Executive Officer of Surface Protection Industries, Inc.)

BENJAMIN F. MONTOYA

Director (Retired. Former Commander of Naval Facilities Engineering Command)



(left to right)

LINDA K. JACOBS

Director (Chair of the Board of the Near East Foundation)

ROBERT B. GWYN

Director (Retired. Former CEO and Chairman of the Board of Agricultural Minerals and Chemicals)

JOSEPH R. BRONSON

Director (President of FormFactor Inc.; Former Executive Vice President and Chief Financial Officer of Applied Materials, Inc.)

| EXECUTIVE MANAGEMENT



(left to right)

ARLAN C. EMMERT
Group Vice President, Asia

WALTER C. BARBER
Group Vice President, Infrastructure

THOMAS R. HAMMOND
Executive Vice President, Operations

JOHN W. PROSSER
Executive Vice President, Finance & Administration



(left to right)

MICHAEL P. MILLER
Senior Vice President, Information Technology

MICHAEL J. HIGGINS
Group Vice President, Federal Operations

ALLYN B. TAYLOR
Group Vice President, Civil



(left to right)

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

WARREN M. DEAN
Group Vice President, Facilities

GEORGE A. KUNBERGER
Group Vice President, Northern Region

LAURENCE R. SADOFF
Group Vice President, Field Services



(left to right)

ROBERT M. CLEMENT
Senior Vice President, Global Sales

ROGERS F. STARR
President, Sverdrup Technology, Inc.

ANDREW F. KREMER
Group Vice President, International Operations

JAMES W. THIESING
Group Vice President, Federal Operations

PHILIP J. STASSI
Group Vice President, International Operations



(left to right)

GREGORY J. LANDRY
Group Vice President, Western Region

PETER M. EVANS
Group Vice President, Southern Region

NAZIM G. THAWERBHOY
Senior Vice President & Controller

JOHN McLACHLAN
Senior Vice President, Acquisitions and Strategy



(left to right)

MARTIN G. DUVIVIER
Senior Vice President, Quality and Safety

PATRICIA H. SUMMERS
Senior Vice President, Human Resources

WILLIAM G. MITCHELL
Group Vice President, Infrastructure

| WHAT'S SO UNIQUE ABOUT SUPERIOR VALUE?

We've talked about delivering value on these pages in the past. Most companies promise to deliver value, so much so that the term loses its meaning and the pledge often goes unfulfilled. Is value the same as price? Who defines value? Who receives it? How do you measure it? And perhaps most importantly to our clients: What sets us apart from the competition in terms of delivering uniquely superior value?

For our business to thrive, we must consistently meet the needs of our three stakeholder groups—our clients, our employees, and our shareholders. Since each of our stakeholders defines value in their own unique terms, we need to understand their needs and respond with the right solution. The challenge for companies like ours is to do this while continually balancing the interests of all our stakeholders.

We distinguish ourselves from our competition by consistently operating our business according to three core values:

- We are a relationship-based company
- Growth is an imperative
- People are our greatest asset

Each core value works in concert with the others to create an environment for delivering tangible value to all stakeholders.

We are a relationship-based company

Our relationship core value specifies how we approach the owner community and our clients: every project we perform is part of a long-term relationship-building process. We dedicate ourselves to building a deep knowledge of the projects we execute as well as the unique business drivers of each of our

clients. Together with superior performance and a willingness to put client interests ahead of our own, this alignment with our clients builds trust, communication, and an environment to continuously improve. The result is a consistently good deal for our clients that helps them optimize their capital effectiveness. The repurchase loyalty that our approach inspires lets us grow faster, at less cost, than our competitors, which in turn allows us to reinvest our profits into people, systems, processes, and intelligent acquisitions.

Adhering to our relationship core value helps make us the leading alliance and partnership company in our industry. For example, since its inception in 2000 our Rohm and Haas alliance generated more than \$50 million in documented savings, including capital avoidance. We have achieved these savings by continuously applying disciplined work processes and value enhancing practices. Our ability to leverage the alliance and execute projects globally has been a unique benefit that wouldn't have been present without the alliance relationship. Expanding our services, we now provide procurement to Rohm and Haas' facilities worldwide. Our ability to leverage procurement and other global resources is a major contributor to the relationship's success.

Growth is an imperative

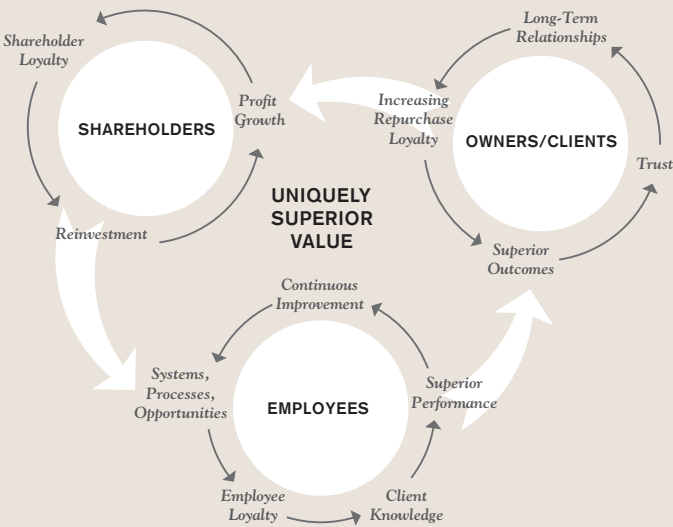
Our pledge to continually grow our business at the bottom line pushes us to find innovative and effective solutions for our clients. This thirst for growth and our commitment to serve our clients where they need us prompted us to create operations in Singapore, Sweden, Finland, Czech Republic,

Puerto Rico, Poland, and other international locations. Delivering the results our clients demand in the places they need us keeps them on board as partners in our growth. Given our relationship-based business model, it's no surprise that long-term relationships provide the foundation for our growth; in fact, over 80 percent of our business comes from relationship clients. Not only do our clients come back to us, but we continue to gain a larger share of their business, further driving our growth and rewarding our shareholders. Our compound annual net earnings growth rate of nearly 15 percent over the past 10 years demonstrates that our business model delivers growth where it counts: at the bottom line.

owner needs, our employees make us the company of choice for an increasing number of owners. The trust our employees create makes them an extension of our clients' operations and a reliable partner in helping them improve their competitive position. In California, our alliance with ChevronTexaco Exploration and Production Company is in its seventh year of performing maintenance, operations, and capital construction services in various oil fields. Our continuous improvement efforts focus on reducing ChevronTexaco's operating cost and strengthening their capital stewardship program through incorporation of Lean Six Sigma technology. But according to Chris Bardet, Maintenance Superintendent at ChevronTexaco's site in Bakersfield, California, it's our people that really make the difference. "The Jacobs employees never cease to amaze us with their dedication and work. They continue to raise the bar by bringing better ways of performing their jobs to our attention." We hear this kind of praise for our people all the time. The excellence of our people is the fundamental element that allows us to deliver superior value, which in turn drives our relationship-based business model.

Uniquely Superior Value

Keeping focus on our core values allows each of our stakeholder groups to derive value. Owners benefit from superior project outcomes that drive their global competitiveness and deliver value to the bottom line. Shareholders own a more valuable asset as we continue to grow the business. And our employees engage in rewarding work and reap the enhanced career advancement opportunities that only growing companies can offer. The benefits our core values deliver are unique in the industry, providing superior outcomes to our clients and fueling our success.



People are our greatest asset

We wouldn't be the company we are today without loyal, talented employees. Our people combine technical and professional skills with client knowledge to provide truly superior project outcomes. At the end of the day, what we sell to our clients is the brain power of our people. By working creatively and diligently to deliver solutions that align with

MARKET PROFILE

From concept to completion and on to operation and maintenance, we provide clients with the full range of services: planning, configuration studies, energy optimization, environmental permitting, architecture, process and detailed engineering design, scientific development, information technology, procurement, design/build, program/construction management, commissioning, turnaround planning, and asset management.



REFINING

PAGE 10

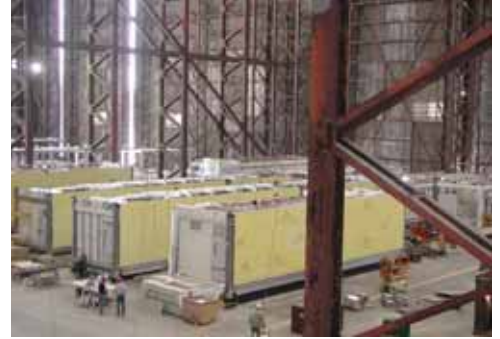
- Crude/vacuum units
- FCCU
- Hydroprocessing
- Coking
- Reforming
- Treating
- Sulfur removal
- Wastewater treatment



INFRASTRUCTURE

PAGE 12

- Roadways, bridges, and Intelligent Transportation Systems
- Railroads and transit
- Water/wastewater conveyance and treatment
- Underground structures and tunnels
- Aviation, locks, dams, ports, and marine



PHARMACEUTICALS & BIOTECHNOLOGY

PAGE 14

- Sterile products manufacturing
- Bulk pharmaceutical
- Pharmaceutical finishing
- Biotechnology
- Fine chemicals
- Research & development laboratories and pilot plants



CHEMICALS & BASIC RESOURCES

PAGE 22

- Wide range of organic chemicals
- Olefins
- Polyolefins
- Specialty polymers
- Phosphates
- Potash
- Inorganic minerals



TECHNOLOGY

PAGE 24

- High-energy physics installations
- Nanoscience research and production facilities
- Semiconductor facility basebuild programming, tool installation, and sustaining engineering



CONSUMER PRODUCTS

PAGE 26

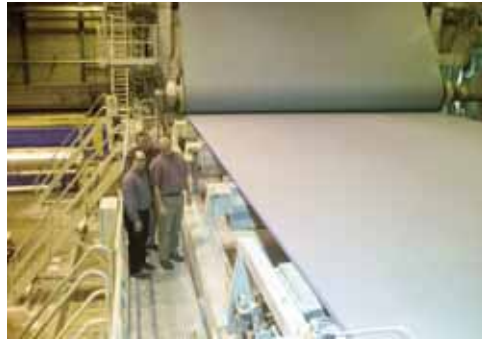
- Food processing, packaging, and material handling
- Malting, brewing, fermenting, and blending processes
- Bottle, can, and keg packaging
- Personal care product facilities



BUILDINGS

PAGE 16

- Government: administrative, security, and defense installations
- Health/Research: replacement hospitals and advanced research
- Education: K-12 and higher education
- Justice: courts, prisons, and jails
- Corporate buildings and industrial installations



FOREST PRODUCTS

PAGE 18

- Mill optimization
- Pulp mill and stock preparation upgrades
- New paper machines and rebuilds
- Converting and packaging
- Energy/utility maintenance and shutdowns



AUTOMOTIVE & INDUSTRIAL

PAGE 20

- Building, equipment, and systems layout and integration
- Automotive validation and verification test facilities
- Test facility development and enhancement
- System maintenance and metrology
- Modeling and simulation



FEDERAL PROGRAMS

PAGE 28

- Accelerated environmental cleanup
- Chemical and explosive ordnance demilitarization
- Nuclear facilities decontamination and decommissioning
- Sustainment, restoration, and modernization



OIL & GAS

PAGE 30

- Oil and gas production, separation, and gathering facilities
- Gas compression/transmission/treatment/handling
- Sulfur recovery
- Water treatment, disposal, and waterflooding
- Heavy oil production, onshore and offshore, tar sands extraction
- Offshore platforms, topsides



AEROSPACE & DEFENSE

PAGE 32

- Technical, engineering, and scientific mission support
- Information technology and enterprise information support
- Advanced aerospace research/development/test & evaluation facilities, and laboratories



REFINING

Clean Fuels programs continue in North America and Europe as refiners work to meet low sulfur gasoline and diesel fuel mandates. The U.S. issued new regulations for off-road diesel fuels this past year, driving additional project activity. Demand for refined products has increased significantly worldwide, creating an unprecedented need to increase refining capacity. Our dominant position in global sulfur processing and hydrotreating brings refiners more efficient process configurations to address their capacity and regulatory compliance needs.

For BP's Cherry Point Refinery in Washington, our integrated team helped BP reduce sulfur content in their gasoline to below new 2006 government guidelines. Completing the project under budget and ahead of schedule gave BP an early jump on supplying clean gasoline to the Washington/Oregon market. The fuel's sulfur reduction is equivalent to removing 40,000 cars from the interstate corridor each day.

We are assisting five Shell, Motiva, and Deer Park refineries with environmental improvement projects, implementing various process technologies from selection through startup. We applied extensive best practices and

lessons learned during project execution, with selective use of incentive programs to promote positive behaviors. Their confidence in us is reflected in client satisfaction survey scores averaging 97.5 percent.

Our full-service approach to Petro-Canada's Edmonton Diesel Desulphurization project provided the framework for seamless execution with minimal disruption to existing operations. Our "one-stop shop" solution achieved all project milestones to date and completed the turnaround more than 16 percent under budget.

For the TOTAL Refinery in Antwerp, Belgium, we provided design and construction services on a new blast-resistant substation as part of their new clean gasoline unit. Working closely with client and project stakeholders, we also coordinated all electrical and instrumentation activities up through commissioning and led dynamic loop testing activities on TOTAL's behalf.

A global shortage in refining capacity is driving long-term investment in the foreseeable future. Our clients are also in the early stages of converting their refineries to handle alternate crude oils and we see continued spending in years to come.



(from left to right)

1. Our innovative design and construction approach to CITGO's Coke Drum Replacement Project, including a first-of-a-kind structural extension/lift, shortened turnaround time by four days and saved four percent of the total installed cost.
2. We are assisting five Shell, Motiva, and Deer Park refineries with environmental improvement projects (including the Motiva Norco Refinery in Louisiana), implementing various process technologies from selection through startup. With four projects complete, we've achieved on-time startups, a perfect safety record, and costs below the appropriation budgets at all sites.
3. On Fortum Oil's Diesel Project in Porvoo, Finland—one of Europe's most advanced refineries—our Neste Jacobs team provides engineering, procurement, and construction services to help Fortum Oil increase low sulfur diesel production capacity by one million tons and meet product quality targets while maintaining a competitive advantage.
4. For BP's Cherry Point Refinery in Washington, our team's efforts helped the project earn several regional awards and commendations for performance, safety, and environmental contribution.

“Business is a service to others—period. If it fails that, it fails everything.”

DR. JOSEPH J. JACOBS





INFRASTRUCTURE

Competing funding priorities led to a tighter market this year in North America, while in the U.K. infrastructure continues to benefit from investment, particularly in transport and environment. Our established client partnerships and innovative delivery methods help our public sector clients efficiently relieve congestion, rebuild highways, repair bridges, improve transit, and rehabilitate aging water and wastewater systems.

The first tolled motorway in the U.K., the 43-kilometer, dual three-lane M6 Toll provides relief to the congested M6 passing to the north of Birmingham, England. We assisted Midland Expressway Ltd (MEL) with procurement and supervision of the £485 million (US\$856 million) construction contract, expediting the revenue stream for investors. Our due diligence support to the competing lending groups enabled MEL to achieve financial closure for the project within an unprecedented timescale and successfully syndicate the funding shortly afterwards.

An \$8-billion, joint federal/state restoration effort is underway to revitalize America's Everglades—one of the world's most sensitive, critical, and unique ecosystems. Under a 10-year contract with the South Florida Water

Management District (SFWMD), we are leading a joint venture to complete eight key Everglades restoration projects collectively, expediting environmental benefits. Integrated with SFWMD staff, our team identifies long-term restoration strategies, develops regional water modeling programs, and leads execution of several major restoration projects.

Our design and construction services for the \$187 million multimodal Frankford Transportation Center are helping Southeastern Pennsylvania Transportation Authority (SEPTA) create a terminal that improves transit operations, promotes commercial revitalization, and increases ridership. Despite an evolving facility concept, we met a strict design-to-cost program and developed detailed construction phasing plans to keep the transportation center and all transit modes operational during construction.

Ahead, we expect new funding authorizations to reinstate delayed surface transportation projects. Also, rehabilitation of aging water/wastewater facilities continues with new facility construction in fast-growing areas. Our added presence in the U.K. and other locations worldwide enhances our global reach in this market and provides the foundation for market leadership.



(from left to right)

1. Our innovative approach to the design of rail systems and the management of their integration has delivered aggregate cost savings to Network Rail of roughly £35 million (US\$62 million).
2. Our team's approach to the expansion of the I-75 Peace River Bridge shaved 19 percent off the Florida Department of Transportation's schedule and was 16 percent less expensive than the original estimate.
3. The \$1.67-billion I-25 Transportation Expansion Project (T-REX) in Colorado expands traffic capacity along a busy corridor. We leveraged our resources to complete Segment 1 design two months ahead of schedule.
4. The 43-kilometer M6 Toll provides relief to the congested M6 passing to the north of Birmingham, England. We assisted Midland Expressway Ltd with procurement and supervision of the construction contract, expediting the revenue stream for investors.

“When trying to describe Jacobs to someone, I would have to borrow an old cliché from what I believe was the Zenith TV and radio commercials when they said, ‘The quality goes in before the name goes on.’ Jacobs doesn’t put their name on something unless it’s right.”

JOHN BUEHRLE, WATER SYSTEMS MANAGER

ST. CHARLES CITY WATER DIVISION, MISSOURI





PHARMACEUTICALS & BIOTECHNOLOGY

Globalization, healthcare costs, intellectual property protection, regulatory demands, and declining research and development productivity influence this industry's landscape, fueling company consolidation, alliances, and investments in tax-advantaged locations—specifically Singapore, Ireland, and Puerto Rico. In support, we focus collaborative energy to reduce facility costs, increase technical innovation, and accelerate product time-to-market. To accelerate schedules, we've grown our modular construction business from delivering the world's first modular bulk pharmaceutical facility in 2000 to major contributions to the world's largest modular pharmaceutical facility in 2003.

We entered our 27th year working with Eli Lilly and Company at their locations in Europe, the U.S., and Puerto Rico. In 2004, we provided services for 16 major projects associated with approximately \$1.5 billion of capital investment. For a facilities upgrade in Indiana we executed 800,000 field labor hours in nine weeks of construction, and completed a total of 1.2 million workhours without a lost-time accident. We met the project's aggressive 26-month schedule with no interruption to the product supply.

In Puerto Rico, Eli Lilly is expanding production by adding a new bulk dry product manufacturing facility. Our scope includes conceptual studies, procurement, preliminary and detailed design, fabrication of 84 modules, and construction management. The modules are now undergoing final interconnections at the site, and we are currently fabricating 84 modules for a second, similar facility.

We provided design, engineering, and procurement services for AstraZeneca's new multipurpose, high-containment manufacturing facility in the U.K. The facility provides kilo-scale active pharmaceutical ingredients for clinical trials. Addressing current and future Good Manufacturing Practice (GMP) compliance standards and safe handling of new oncology materials, our team examined similar facilities; scrutinized GMP legislation; and arranged for 3D maintainability and constructability reviews.

In the years ahead, Ireland, Singapore, and Puerto Rico continue to be preferred pharmaceutical manufacturing destinations, in addition to the U.S. and Europe. We provide a unique strength in all these regions, helping mitigate our clients' risks with local marketplace knowledge, contracting leadership, familiarity with the regulatory environment, and a depth of pharmaceutical facilities technical skills.

“The variation growth control on this project was excellent and far exceeded our expectations. The project was completed to tight cost and schedule and this is a tribute to the Jacobs project team who made the main design, procurement, and planning input.”

GEOFF WOOLLARD, PROJECT MANAGER

ASTRAZENECA

MACCLESFIELD, UNITED KINGDOM

(from left to right)

1. For Eli Lilly's new bulk dry product manufacturing facility in Puerto Rico, the use of modular construction reduced the project schedule by six months while relieving construction congestion within the limited site footprint.
2. On a new active pharmaceutical ingredient manufacturing facility for sanofi-aventis in France, we combine stringent work processes, team building, and senior management involvement to address best product time-to-market at a predictable cost.
3. As part of a multi-company, fully integrated alliance team, our value engineering efforts helped AstraZeneca reduce initial project costs by 15 percent on their new multipurpose, high-containment manufacturing facility in the U.K.





BUILDINGS

The general buildings market grew modestly in 2004, particularly in North America. An aging population is fueling the rehabilitation, expansion, and new construction of healthcare facilities. Meanwhile, the justice facilities market is seeing more courthouse projects and special needs justice facilities and fewer prisons due to the smallest inmate growth in 29 years. In all buildings sectors, owners and governments turn to us to stay on top of changing technology while providing predictable cost outcomes to meet strict funding requirements.

For the University of Colorado at Denver and Health Sciences Center (UCDHSC), in collaboration with their projects facilities department, we are providing comprehensive construction program and project management services to develop a new 2.5-million-square-foot campus in Aurora, Colorado. To help UCDHSC contain costs, we led a consensus-driven value engineering effort yielding 18 percent in project cost savings.

We are providing design-build services for the new Airport Traffic Control Tower (ATCT) and Terminal Radar Approach Control (TRACON) at the Phoenix Sky Harbor International Airport. The new 335-foot tower provides an unobstructed airfield view while the approximately 51,000-

square-foot TRACON will simultaneously track up to 1,350 airborne craft with greater speed and accuracy than ever before. The consolidated facilities provide the Federal Aviation Administration with more efficient Phoenix operations. Additionally, the project team has achieved more than \$2.2 million in documented savings.

Necker - Enfants Malades Hospital in Paris (Assistance Publique - Hôpitaux de Paris or AP-HP) has an international reputation for treating children's illnesses and various adult pathologies. In collaboration with architect Philippe Gazeau, we are providing design, engineering, procurement, and construction management services for a 60,000-square-meter expansion project for the hospital's mother-child care facility. This program consolidates activities from various sites and globally reorganizes the pediatric services.

The healthcare and justice segments of this market are growing steadily. Emerging challenges include achieving design excellence within public sector budgetary constraints; reconciling transparency with security; and incorporating specialized criteria, sustainable design, and community interaction and outreach during the process.



(from left to right)

1. During the original building upgrade project for Hoag Memorial Hospital Presbyterian, we planned, scheduled, and facilitated more than 100 utility outages and cutovers without interrupting patient and medical functions.
2. Our superior performance and client partnership resulted in our receiving nearly two-thirds of IKEA's new retail and distribution center projects in Spain.
3. Our design-build project team has achieved more than \$2.2 million in documented savings for the Federal Aviation Administration's new Airport Traffic Control Tower (ATCT) in Phoenix.
4. We've provided program management services under a joint venture to complete Maricopa County's \$522 million Jail Expansion Program, adding 3.3 million square feet of critically needed facilities and returning \$7 million in savings to the county.

“Phase after phase, I am repeatedly surprised with the project’s fast paced progress and budget savings. Compared to other high-profile projects, this is the only one in recent memory who’s project team consistently delivered on time and under budget.”

BRUCE HERRING, DEPUTY CITY MANAGER

CITY OF SAN DIEGO SPECIAL PROJECTS, CALIFORNIA





FOREST PRODUCTS

Pulp and paper prices improved over the past year, influenced in part by increased consumer spending and reduced production. Still, our clients face numerous challenges including overcapacity, energy costs, and environmental regulations. Addressing capacity issues, many companies are retiring aging facilities and equipment to reduce bottom line costs and converting existing equipment from commodity to specialty paper products. By leveraging our experience with pulp and paper equipment and technology, we help our clients make key decisions to improve profitability and competitive positioning.

For one client we have provided comprehensive scope development and design execution services on small projects at 11 U.S. mill sites for the past several years. Our industry expertise, tailored work processes, and value-enhancing practices yielded millions of dollars in cost savings and avoidance for this and other producers.

We also provide engineering, procurement, construction management, and maintenance services for major personal care products companies on five continents. Projects range from small mill work to complex, multimillion-dollar paper

machine rebuilds and mill expansions. By leveraging our project support services across business sectors, we streamline our resources to stretch project dollars and ultimately save our clients money for their long-term growth.

Performing Stora Enso's recent energy audit of two U.S. midwestern mills, we helped identify projects yielding more than \$4 million in potential energy savings. Some projects required no capital outlay; for those requiring capital, our client's payback was two years or less. Once implemented, these efforts will improve Stora Enso's energy efficiency in the U.S. for coated and supercalendered papers.

For the year ahead, with the increase in paper prices, we expect an increased workload due to announced capital spending plans and decisions to outsource engineering services. As fuel prices reach all-time highs, our clients come to us to assess mill operations for fuel selection, operational practices, thermal energy reduction, and electrical power sourcing. Our comprehensive fuel system evaluations help owners optimize capital and operating costs, often with solutions that require no capital investment for immediate payback.

“Jacobs’ analysis at two of our Midwestern mills resulted in the identification of 51 projects, 29 of which required zero capital, estimated to save us several million dollars annually.”

DAVID MCELROY, PROJECT MANAGER

STORA ENSO NORTH AMERICA

(from left to right)

1. We helped identify projects yielding more than \$4 million in potential energy savings during energy audits for two Stora Enso U.S. midwestern mills.
2. Our technical knowledge and in-depth understanding of the new Industrial Boiler MACT (Maximum Achievable Control Technology) environmental regulations allow us to recommend cost-effective compliance solutions tailored to our clients’ particular needs.





AUTOMOTIVE & INDUSTRIAL

In response to increasing global competition, Original Equipment Manufacturers (OEMs) strive to contain costs, boost energy efficiency, and ensure timely product delivery. Efforts include more OEM cooperation with one another in developing and manufacturing powertrain assemblies to reduce costs as well as increased outsourcing of non-core business. Supporting these strategies, we've applied proven test facility design, construction, operations, and brokering services to help clients lower operating costs on average by 12 percent and improve operational equipment effectiveness by 52 percent.

Nearing construction completion, our High Feature Test Facility design for General Motors (GM) in Michigan provides best-in-class capabilities for vehicle research, development, and testing. As a technical partner with GM, we clearly understood their end goals and closely aligned the facility design specifications accordingly, optimizing both facility performance and cost investment and helping to shorten the overall delivery schedule by four months.

Our engineering, procurement, construction management, and commissioning services for a 17,000-square-meter expansion

of BMW's distribution center in Italy help our client centralize logistics distribution of spare parts in southern Europe. Optimizing our project development plan with a two-phase execution approach, we facilitated operation of 5,000 square meters of logistic areas only ten months after design inception.

For Visteon, we designed and are constructing a new climatic wind tunnel at their technical center in Germany, adding new environmental simulation capabilities. Once construction is complete, we will operate and maintain the facility and broker excess test time under a long-term contract. This third-party asset management provides Visteon with maximum productivity and facility utilization, minimum operational costs, additional revenue, and standardized test procedures for superior data correlation.

Ahead, experts anticipate the number of new and updated vehicle models to peak in 2006, driving capital expenditure and modest automotive market growth in 2005. To help manufacturers and suppliers maintain their competitive edge, we continue to provide an effective avenue for them to improve testing accuracy, contain operating costs, and boost their return on capital investment.



(from left to right)

1. Optimizing our project development plan on BMW's 17,000-square-meter distribution center expansion in Italy, we facilitated operation of 5,000 square meters of logistic areas only ten months after design inception.
2. As their trusted high-technology partner since 1986, Ford Motor Company recently asked us to evaluate requirements to replace their snow/cold room facility for vehicle testing. Our investigations resulted in a retrofit solution that met all their rigorous testing requirements, and cost several million dollars below that of a new stand-alone facility.
3. For Visteon, we have designed and are constructing a new climatic wind tunnel at their technical center in Germany. Once complete, we will operate and maintain the facility and broker excess test time under a long-term contract—providing Visteon with maximum productivity and facility utilization, minimum operational costs, and additional revenue.
4. On Behr's new, highly advanced climatic wind tunnel in Michigan, the Behr/Jacobs team completed the facility three months ahead of schedule, allowing Behr to jump-start climatic testing activities in the U.S.

“The new wind tunnel Jacobs designed and built together with Behr America sets a benchmark for wind tunnel technology around the world and it is the most modern in the industry.”

DR. MARKUS FLIK, CEO

BEHR GROUP, TROY, MICHIGAN





CHEMICALS & BASIC RESOURCES

The chemical industry saw strengthening profits last year in most market sectors, enhancing capital spending potential for 2005. With global investments increasing, many companies are seeking regional joint ventures. Our strong project delivery, analysis, and program management services optimize project definition and control, minimizing owner risk in these new ventures. In phosphates, diminishing U.S. resources and product overcapacity are driving company consolidations and partnerships in new geographies to capture market share.

Under a formal agreement with Borealis, we currently provide engineering, procurement, and construction management services on small capital projects at their Sites Scandinavia (Sweden) and Belgium chemical facilities. This partnership targets maximizing synergy and improving efficiency for Borealis' modification and investment program. We have executed several projects under this agreement already, identifying and approving roughly €1.1 million (US\$1.5 million) in added value in the first year.

We continue to work in Morocco with Office Cherifien des Phosphates (OCP), providing basic engineering, detailed design, and construction support services for their new 120-metric-ton-per-hour Diammonium Phosphate (DAP)

granulation plant and one-metric-ton-per-hour granulation pilot plant at Jorf Lasfar. To help OCP rapidly expand their DAP market share, we leverage our long-term client relationship, proven process design, and multi-office design execution to improve efficiency on this schedule-driven project.

To date, our ExxonMobil Singapore Alliance clocked close to 380,000 site workhours, achieving project safety recognition from ExxonMobil for a zero total recordable incident rate and earning a Silver Award for safety performance from the Singapore Ministry of Manpower. The Alliance has progressively driven down average hourly professional services costs by 17 percent over a two-year period. In addition, our Alliance team negotiated nearly US\$1 million in procurement and contract value savings.

Experts predict strong international petrochemical construction in the years ahead. We continue to broaden our services to these global companies with high-end consulting, project delivery, and program management services that help owners make wise investment decisions and maintain market leadership. Also, we remain a market leader in phosphates industry technology and project delivery.



(from left to right)

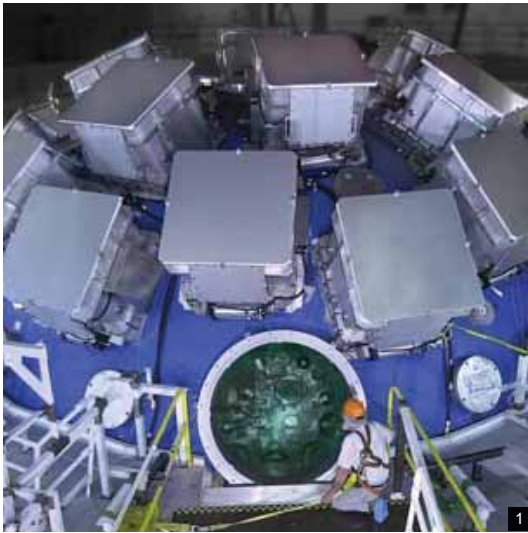
1. Sabina Petrochemicals (a Shell, BASF, and TOTAL Company) selected modular technology to maintain their desired production date and to minimize interference with ongoing construction work on their C4 Olefins Complex Project in Port Arthur, Texas.
2. Collaborating with subcontractors and technology providers, we adopted innovative construction methodologies as well as just-in-time equipment delivery and installation to help Dow Olefinverbund GmbH add a second production train to their polyethylene terephthalate processing plant in Germany. Our team finished under budget and two weeks ahead of schedule with zero recordable incidents.
3. Our European Agreement with Borealis aims to maximize synergy and improve efficiency for their modification and investment program. We have executed several projects under this agreement already, identifying and approving US\$1.5 million of added value in the first year.
4. For Arkema's new poultry nutrient intermediate facility in Beaumont, Texas, we applied value engineering, scope reduction, and design hours from our Mumbai, India, office to shave four percent off the total installed cost. Also, our safety efforts helped the project achieve OSHA Star site status and more than one million workhours without a lost-time incident.

“Positive results do not happen on their own. They are a product of good management, a clear understanding of the client’s scope and goals, meeting the needs of the EPCM team, and cooperation; all of which the team at Jacobs provided.”

DAVID SUNDBLAD, PROJECT DIRECTOR CENTRAL ASIA, ENGINEERING AND CONSTRUCTION

NEWMONT MINING CORPORATION





TECHNOLOGY

Basic scientific research in the physical sciences is a foundation for economic growth and national security. Our clients continue investing in science and technology programs, supporting national laboratories and advanced scientific user facilities.

Working closely with Stanford Linear Accelerator Center in California, we provide design and construction services for the \$260 million Linac Coherent Light Source (LCLS) conventional facilities. LCLS, the world's first x-ray free electron laser, will deliver ten billion times the power and brightness of existing technology, promoting multidiscipline subatomic particle research. Our design concept addresses critical engineering criteria including seismic challenges arising from site proximity to an active fault. Focusing on value, we designed the underground Far Experimental Hall as three smaller caverns, eliminating the need for heavy steel structures and large cavern tunnel costs.

Similar stringent structural and environmental controls challenged our designers developing the £250 million (US\$375 million) Synchrotron Diamond Light Source, the largest scientific facility to be built in the U.K. for 30 years. This facility enables scientists to investigate the structure

of materials at the atomic and molecular level. For the 235-meter diameter main building, our design criteria include micron-level structural stability and temperature control of $\pm .5$ degrees Celsius. We also evaluated and implemented measures and materials to reduce short- and long-term energy costs.

Competition remains fierce in the semiconductor industry as our clients face product overcapacity, new global players, and pressure to convert from 200- to 300-millimeter wafer technology. We have collaborated with one owner on multiple wafer manufacturing projects, performing tool installation, basebuild design, and sustaining engineering on five different campuses worldwide. Also, we are helping SunPower (a wholly-owned subsidiary of Cypress Semiconductor) to add a second photovoltaic cell line at their Philippines facility—doubling their manufacturing capacity to capitalize on the rapidly growing photovoltaics market.

Ahead, a new generation of chips should spark a new round of construction in the semiconductor industry in 2005. Our growing reputation for designing and building high-tech research centers enhances our opportunities to support international science and technology initiatives.

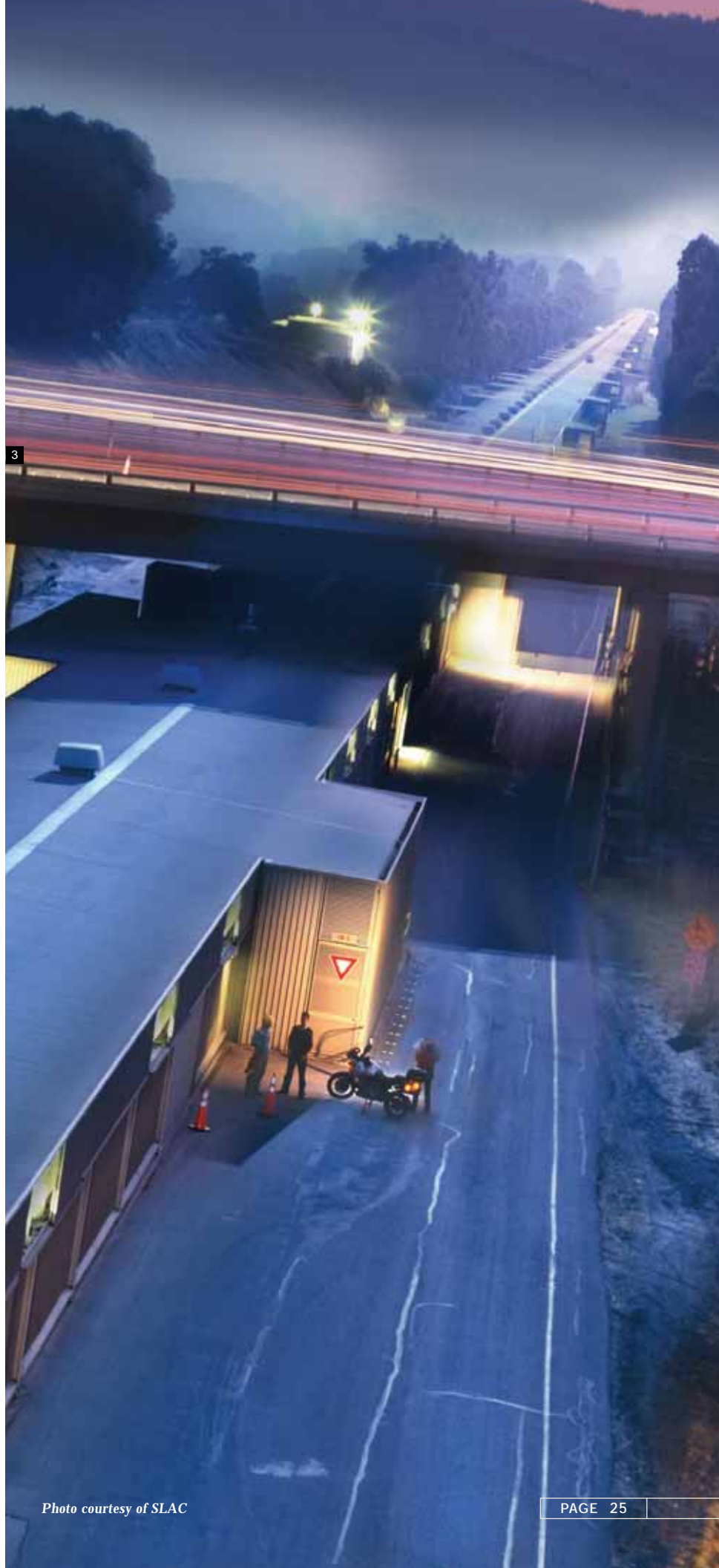
“The unions and contractors working with ORNL at the SNS site have forged a very strong and productive labor-management relationship. This cooperative atmosphere is a leading reason why the project is on track to complete on time, safely, on budget and is regarded as an important asset to the community.”

THOM MASON, DIRECTOR

SNS, OAK RIDGE NATIONAL LABORATORY,
TENNESSEE

(from left to right)

1. We played a significant role in improving project safety over the past five years for the University of California's National Ignition Facility (NIF) at Lawrence Livermore National Laboratory, achieving four million workhours without a lost-time injury.
2. Our design criteria for the 235-meter diameter main building of the Synchrotron Diamond Light Source include micron-level structural stability and temperature control of $\pm .5$ degrees Celsius.
3. SLAC's 2-mile-long linear accelerator sits underneath this longest building in the world. Our design work on this accelerator's extension and the new LCLS facilities addresses critical seismic criteria arising from the site's proximity to an active fault.





CONSUMER PRODUCTS

Consumer products manufacturers continue to consolidate and optimize their production lines to improve speed to market; they also seek ingredient and packaging innovations that respond to consumer health and convenience demands. As systems integration experts, we work closely with owners and equipment vendors to customize solutions that speed production, improve product shelf life, and lower operations and maintenance costs.

The Kellogg/Jacobs Alliance is in its seventh year supporting Kellogg manufacturing operations around the world. The Alliance continues to provide Kellogg with design and construction services to deliver to Kellogg customers the highest quality products manufactured in the safest and most efficient facilities in the food industry. Over the last six years the Alliance has recorded savings of more than \$90 million.

As part of our long-term Coors Alliance, we're providing program and construction management services to add six-plus million barrels per year in beer brewing capacity to Coors' Elkton, Virginia, packaging facility. This expansion brings Coors' products closer to their East Coast market, increases

efficiencies, and reduces transportation costs—ultimately saving Coors \$25 million annually. By stringently following our Alliance-tailored work processes, our integrated team has already documented several million dollars in project savings in just three months.

We provided engineering, procurement, and construction management for Apollo Tyre to expand their tire manufacturing capacity in Gujrat, India, by nearly 40 percent. By developing and implementing a safety culture of active participation and stringent procedures, the project achieved a near perfect record over more than 2.4 million workhours. Apollo commended us with a 100 percent client satisfaction survey rating in the safety category.

Ahead, we expect more consolidations and less plant expansions as our clients further strive to lower costs, improve efficiency, and gain competitive ground. By applying our work process and value engineering tools we continue to help our clients achieve predictable, repeatable project results, lowering their risk and freeing capital dollars to advance product innovation.



(from left to right)

1. The Kellogg/Jacobs Alliance, in its seventh year supporting Kellogg manufacturing operations around the world, has recorded cost savings of more than \$90 million to date.
2. On Coors' new brewing expansion to their Elkton, Virginia, packaging facility, our integrated alliance team has already documented several million dollars in project savings in just three months.
3. On a new wet wipe production plant for Codi International BV (part of Suominen Corporation) in the Netherlands, we applied interactive planning, close client collaboration, and value engineering to meet program objectives—earning excellent client satisfaction survey ratings on planning, design, cost, and schedule performance.

“Professionalism derives only from an attitude of mind, a methodology that puts the clients’ interests foremost, and profit to the professional does not enter into his decision making.”

DR. JOSEPH J. JACOBS





FEDERAL PROGRAMS

Accelerated site closure continues to be a priority for the U.S. Departments of Defense and Energy (DOD/DOE). Their strong focus on performance-based contracting enables them to shift funding from cleanup to other initiatives such as researching new energy sources or improving facilities to accommodate new international missions. To support this evolution, we offer clients multidiscipline capability and a global network to consistently deliver the value and innovation their programs and complexes require.

We mobilized the U.S. Army Corps of Engineers New England District's \$200-plus-million New Bedford Harbor restoration project in Massachusetts. Under this 10-year contract, we manage all activities and equipment for dredging, treating, and removing roughly 880,000 cubic yards of polychlorinated biphenyls (PCBs) and heavy metal-contaminated sediments.

For the DOE, we're accelerating environmental cleanup at several major sites. With over 70 percent of the work complete, the Fernald Closure Project is projected to finish nine months ahead of schedule and \$300 million below target cost. Approximately 95 percent complete, innovation and superior service extended our Rocky Flats Closure Site Services contract into its seventh year. We transitioned our

services from management and operation to decontamination, decommissioning, demolition, and environmental remediation while providing \$41.5 million in cost savings.

Our 13-year relationship continues with the Air Force Center for Environmental Excellence (AFCEE) on more than 12 contracts totaling \$1 billion. Contracts include the Worldwide Environmental Restoration & Construction (WERC) and Worldwide Planning, Program, and Design (4P-AE) environmental contracts, and the Design Build Plus 03 (DBP03) worldwide military family housing and construction contract. In Japan, we are working to bring the DOD's largest aboveground fuel storage tanks into regulatory compliance. Our global presence and broad skill set support AFCEE on their facility Sustainment, Restoration, Modernization (SRM) program, and accommodate their expansion into the Pacific Rim and Europe.

As our client work expands beyond environmental services, we leverage our adjacent skill sets in facilities, civil, process/petrochemical, operations, and maintenance to meet broader client needs in military design and construction. Emerging markets include range management, unexploded ordnance cleanup, underground tanks, and fuel system upgrades.



(from left to right)

1. As part of our team's \$1.8 billion accelerated clean-up contract at DOE's Oak Ridge Reservation, we overcame weather and limited site access to complete key activities on the Melton Valley Hydrogeologic Isolation Project.
2. At Drury Gulch on Kodiak Island, a remote Formerly Used Defense Site, our activities include excavation and off-site transportation and disposal of soil contaminated with polychlorinated biphenyls (PCBs). We apply state-of-the-art chemical screening and surface water control for successful execution.
3. For the U.S. Navy's Mediterranean region, we are performing 40 different projects to date at 10 sites across Europe, Africa, and the Middle East, providing technical consultation and overseeing local contractors to uphold U.S. military standards.
4. Working closely with the USACE New England District and EPA Region I, we eliminated some scope elements and already saved our client nearly \$4 million for the dredging, treating, and off-site disposal operations.

“Jacobs mobilized and executed work on the New Bedford Harbor Superfund project ahead of our extremely ambitious schedule. Most importantly, they accomplished all of the work this year without a single E-1 or lost-time accident.”

GARY MORIN, PROJECT MANAGER

U.S. ARMY CORPS OF ENGINEERS





OIL & GAS

High oil and gas prices and increased global oil demand are driving exploration and production into new geographies. Companies are pursuing more complex deep-water offshore work, continuing recovery of in-situ heavy oil and increasing demand for our sulfur recovery skill set.

For Saudi Aramco, we completed our work on the multibillion-dollar Hawiyah Program in Saudi Arabia, which included overseeing development of the Hawiyah Natural Gas Liquids (NGL) Recovery Plant, the Hawiyah Gas Plant Expansion, the Ju'aymah Gas Plant Expansion, and the East/West NGL Pipeline Expansion. At production rates of 4 billion cubic feet per day, Hawiyah Recovery Plant is the world's largest gas plant. Drawing on our innovative value tools, our team saved Saudi Aramco millions of dollars through design efficiency ideas and the use of our design office in India.

For Suncor Energy, we continue our work on the multi-phased Firebag In-situ Oil Sands operation, proceeding with our work on the Firebag Cogen and Expansion Project. The project is expected to increase plant throughput with a combination of debottlenecking and additional facilities, including power/steam generation.

Through a unique integrated execution model, we work closely with Suncor to capitalize on technical initiatives and lessons learned, streamlining current project performance, and facilitating cost improvements on subsequent program work.

Scottish and Southern Energy and Statoil awarded us program and construction management services for their underground gas storage facility and processing plant in Yorkshire, England. This US\$385 million program involves drilling and leaching nine new 300,000-cubic-meter gas storage caverns in a salt layer 2,000 meters underground. Once operational, gas passes through a central processing area, gets compressed to high pressure, then is stored underground for later retrieval. When fully operational, the plant will have a working gas capacity of 420 million standard cubic meters.

Experts predict a six to ten percent increase in upstream work in 2005 as major producers expand capacity worldwide. With our financial strength, global reach, and broad process expertise, we provide our clients with a single source for upstream services, minimizing multiple interfaces for greater success.



(from left to right)

1. Through a unique integrated execution model on their Firebag In-situ Oil Sands operation, we work closely with Suncor Energy to capitalize on technical initiatives and lessons learned, streamlining current project performance and facilitating cost improvements on subsequent program work.
2. Under a seven-year partnership with Shell EP Europe, we provide integrated project delivery services for their offshore platforms (such as the L-9 platform shown) in the southern part of the North Sea. This alliance has thus far provided continuity to our client during a major reorganization, and helped them identify and implement significant cost savings in the supply chain.
3. We continue our 25-year, on-site maintenance presence at the Syncrude Canada Ltd. oil sands site in Fort McMurray. On a recent project involving the refurbishment of the Number 1 Primary Extraction Vessel, our experienced workforce and site familiarity helped our client-integrated team deliver the project 12 percent under budget.
4. As one of ChevronTexaco's key business partners, we have added significant value as a leader in the drive toward an incident-free workplace and by continuing to generate over one million dollars in annual cost savings over the life of the alliance.

“A contributing factor to our success has been the ability of Jacobs to draw upon their extensive experience within its worldwide organization and bring that experience to bear upon our project in a coordinated way. This was seen as a major advantage for Jacobs during our contract award process and it is pleasing to see it in action.”

GRAHAM S. HUMPHRIES, PROJECT MANAGER, ALDBROUGH GAS STORAGE
SCOTTISH AND SOUTHERN ENERGY PLC, DRIFFIELD, ENGLAND





1 2

AEROSPACE & DEFENSE

Strong spending continues as the U.S. Department of Defense addresses ongoing global political unrest and security concerns. In support, we provide testing, logistics, design, and construction for systems, programs, and facilities. In aerospace, we assist the National Aeronautics and Space Administration (NASA) in advanced research missions and operate their test facilities.

Our work with NASA Marshall Space Flight Center includes supporting their Return to Flight Program. We are leading new, miniaturized microfluidic technology development for the Mars Exploration Mission, including the forerunning Lab-on-a-Chip Application Development project. To date, we've maintained actual costs \$12 million below our proposed levels on this five-year contract.

Entering year two of a 12-year, \$2.7 billion contract with the Air Force's Arnold Engineering Development Center (AEDC), we help test advanced tactical aircraft, including the F-35 Joint Strike Fighter. We've applied Lean Six Sigma techniques to reduce engine installation times by half, resulting in cost savings. We helped AEDC earn a perfect score from the Air Force Materiel Command Inspector General's team—the first received by any of Air Force Materiel Command's 14 U.S. locations in more than five years.

We support the Naval Air Warfare Center Weapons Division in air weapon systems research, development, testing, and evaluation. On the High-Speed Anti-Radiation Demonstration Missile program, our work included a state-of-the-art actuation system that employs a harmonic drive mechanism—eliminating backlash and reducing size, weight, cost, and mechanical complexity.

We continue our eight-year relationship with the Australian Defence Force supporting aerospace and Navy systems development, procurement, and logistics. Completing about 900 contracts, we earned a client satisfaction score of 98.75 percent and assist Defence with strategic planning in future warfighting capability. We manage the upgrade to the Defence Materiel Organization's F/A-18 Integrated Avionics Systems Support Facility to improve the strike-fighter aircraft.

Defense and aerospace work continues to grow as our expertise is sought for advanced weapons systems and facilities to address expanded missions. Upturns in space and aeronautical initiatives have prompted moderate budget growth near-term, with potential significant budget growth further out.



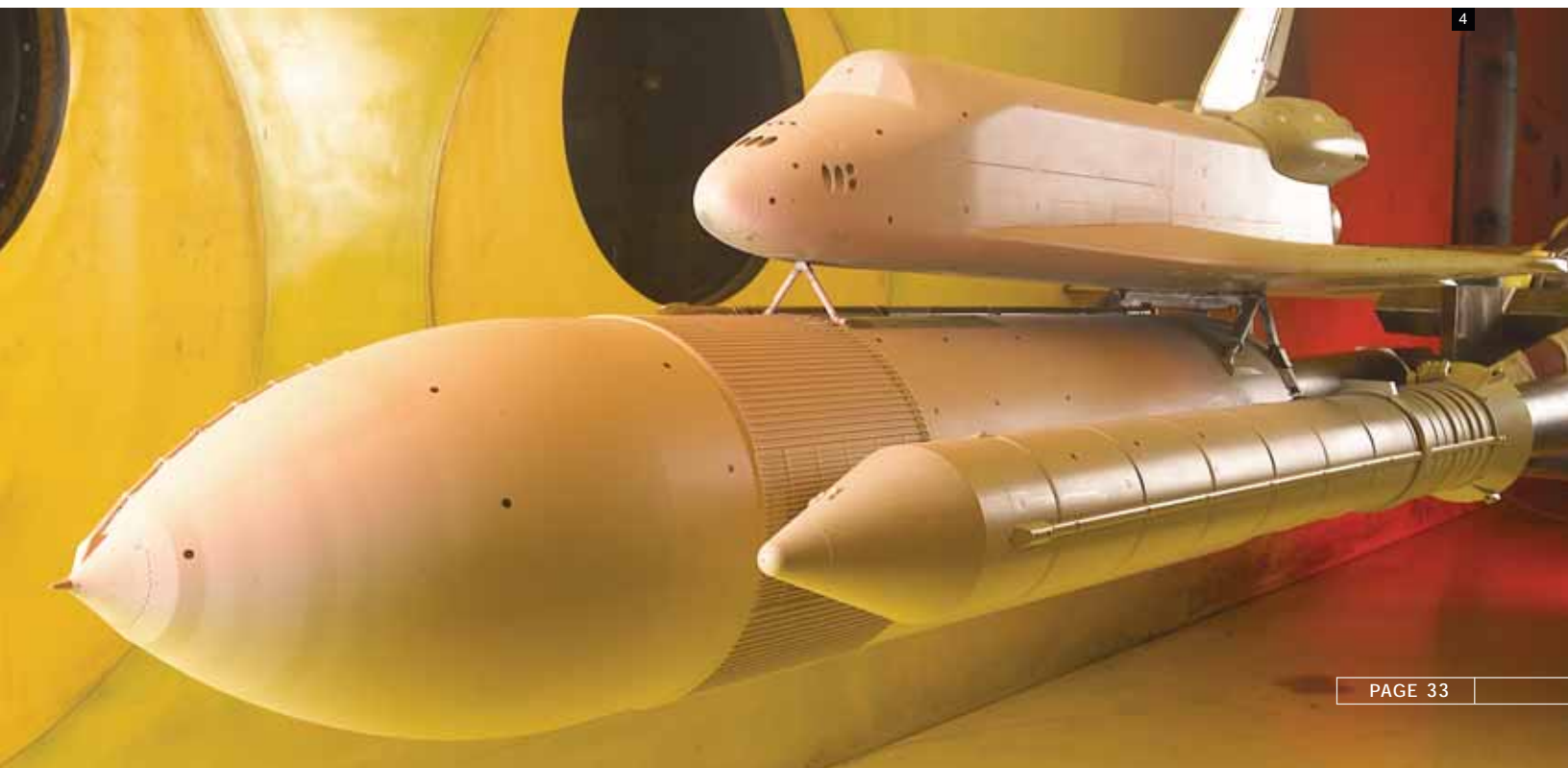
(from left to right)

1. Continuing our long-term partnership with the U.S. Air Force at the Arnold Engineering Development Center (AEDC), we are testing and evaluating external tank components for the Space Shuttle to support NASA's Return to Flight Program.
2. Following successful completion of the new submarine facilities at Devonport Royal Dockyard, we completed the £24 million (US\$42 million) Shiplift Staged Improvement Project, enhancing the capability of the facility and allowing unrestricted lifts of 16,000-metric-ton submarines.
3. As part of our science, engineering, and technology support at NASA Marshall Space Flight Center, our experts perform testing of the Space Shuttle's external tanks, playing a key role in getting the shuttle fleet ready to return to space.
4. Continuing our 35-year relationship with NASA Ames Research Center, our experts conduct wind tunnel testing on this Space Shuttle model to help ensure the aerodynamic integrity of the shuttle fleet.

“Jacobs’ design team helped us understand our own business position. They showed us how we could efficiently meet all the requirements of our current mission. We now have a combined business/facility direction that will serve us well into the future.”

COLONEL BRADFORD JONES, COMMANDER

1106TH AVCRA, FRESNO, CALIFORNIA



FINANCIAL PERSPECTIVES

“Business flows remain upbeat, and we remain confident in this management team’s ability to deliver mid-teens growth to shareholders.”

MICHAEL DUDAS, CFA, *Bear Stearns*

January 22, 2004

“Jacobs has an impressive history of finding and completing acquisitions which have substantially added to the company’s operations and performance. These transactions have occurred on an irregular basis but have been a key contributor to the company’s long-term success, and a critical component of the company’s long-term goal of 15 percent average annual growth.”

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

April 23, 2004

“We continue to view Jacobs as one of the best-managed companies in the industry, with a particularly attractive preferred relationship business model and diversified client base.”

RICHARD F. ROSSI, *Morgan Joseph*

April 23, 2004

“Jacobs’ repeat business, which focuses on providing the best value for its customers, has maintained a steady performance despite external or cyclical conditions. We expect continued earnings growth in the 10-15% range, driven by an improved economy, new environmental regulations, and higher Oil & Gas spending.”

LORRAINE MAIKIS, CPA, CFA, *Merrill Lynch*

December 17, 2004

FORWARD-LOOKING STATEMENTS AND OTHER SAFE HARBOR APPLICATIONS

Statements included in this 2004 Summary Annual Report that are not based on historical facts are “forward-looking statements”, 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, as well as assumptions that, if they never materialize or prove incorrect, could cause the results of the Company to differ materially from those expressed or implied by such forward-looking statements. 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 competitors in the U.S. and outside the U.S.; changes in global business, economic, political, and social conditions; availability of qualified engineers, architects, designers, and other home-office staff needed to execute contracts; availability of qualified craft personnel in the geographic areas where the Company’s construction and maintenance sites are located; 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-price, guaranteed maximum price, or unit priced contracts; the outcome of pending and future litigation and any government audits, investigations, or proceedings; the cyclical nature of the individual markets in which the Company’s clients operate; possible effects of inflation on margins available on fixed-price contracts; effects that fluctuating exchange rates may have on the U.S. dollar results of our operations outside the U.S.; successful closing and integration of recent and future acquisitions; effect of future earnings due to any change in the way stock options are required to be accounted for; risks inherent in doing business outside the U.S., including the difficulty of enforcing contracts, political instability and foreign currency potential exchange restrictions, the short and long-term impact of terrorist activities and resulting political and military policies; the ability of the Company to raise capital in the debt and equity markets; and delays or defaults by clients in making payments due under contracts. 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 2004 Summary Annual Report should also read the Company’s most recent Annual Report on Form 10-K (including the Management’s Discussion and Analysis of Financial Condition and Results of Operations 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 2004 audited, consolidated financial statements together with the notes thereto are included in the Company's 2004 Annual Report on Form 10-K. 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 registered public accounting firm. The report of Ernst & Young LLP on the Company's 2004 consolidated financial statements appears on page F-31 of the Company's 2004 Annual Report on Form 10-K.

REPORT OF ERNST & YOUNG LLP, INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders

Jacobs Engineering Group Inc.

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Jacobs Engineering Group Inc. and subsidiaries as of September 30, 2004 and 2003, 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, 2004 (not presented separately herein) and in our report dated November 3, 2004, 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.

Ernst & Young LLP

Los Angeles, California

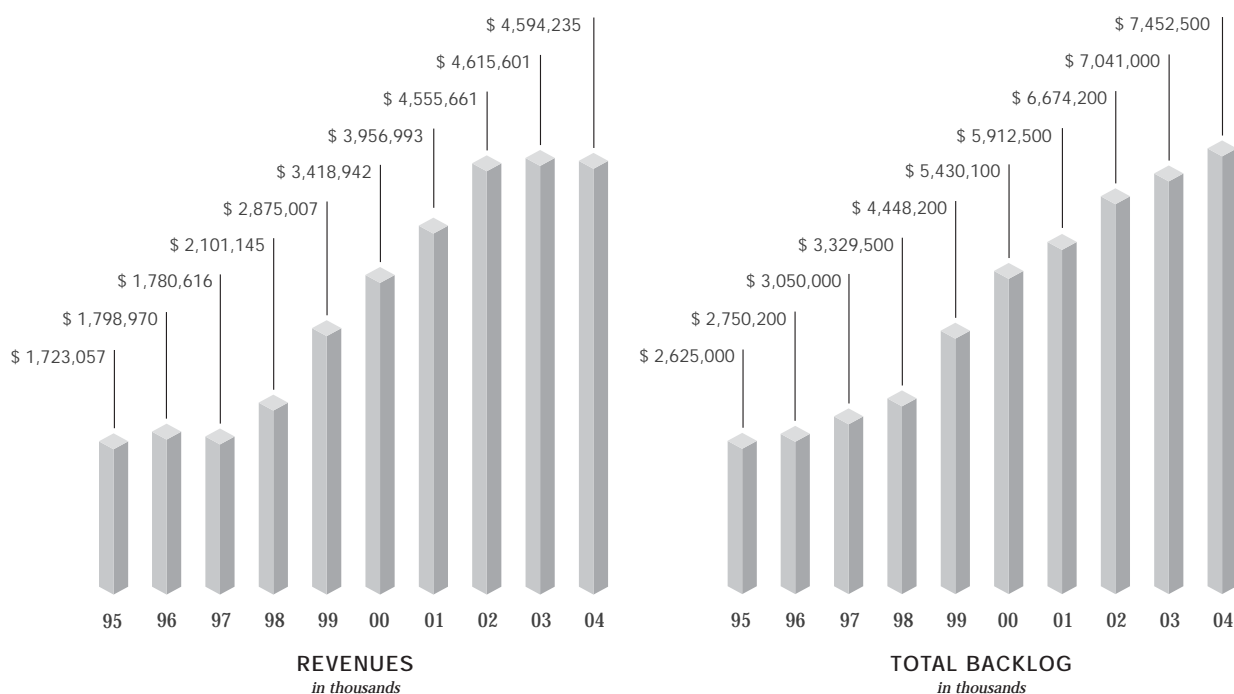
November 3, 2004

SELECTED FINANCIAL DATA

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

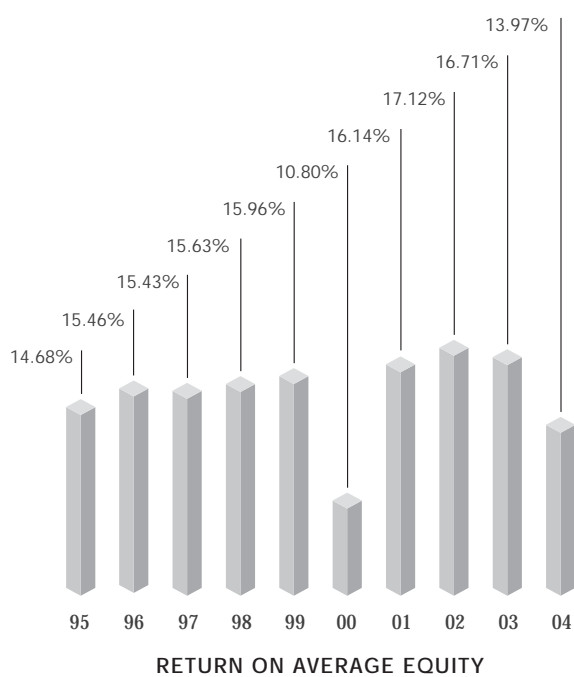
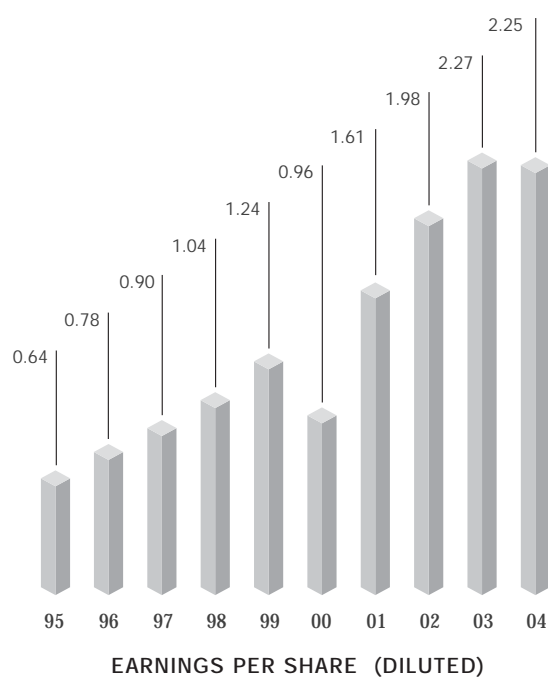
	2004	2003	2002	2001
Results of Operations:				
Revenues	\$ 4,594,235	\$ 4,615,601	\$ 4,555,661	\$ 3,956,993
Net earnings	128,975	128,010	109,690	87,760
Financial Position:				
Current ratio	1.58 to 1	1.59 to 1	1.32 to 1	1.35 to 1
Working capital	\$ 397,599	\$ 358,683	\$ 234,486	\$ 245,500
Current assets	1,083,513	970,097	974,903	946,159
Total assets	2,071,044	1,670,510	1,673,984	1,557,040
Long-term debt	78,758	17,806	85,732	164,308
Stockholders' equity	1,005,027	842,083	689,613	591,801
Return on average equity	13.97 %	16.71 %	17.12 %	16.14 %
Backlog:				
Technical professional services	\$ 3,989,000	\$ 3,383,200	\$ 3,045,600	\$ 2,490,100
Total	7,452,500	7,041,000	6,674,200	5,912,500
Per share Information:				
Basic EPS	\$ 2.30	\$ 2.32	\$ 2.03	\$ 1.65
Diluted EPS	2.25	2.27	1.98	1.61
Stockholders' equity	17.50	14.93	12.45	10.86
Average Number of Shares of Common Stock and Common Stock Equivalents Outstanding (Diluted)	57,433	56,392	55,396	54,496

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



	2000	1999	1998	1997	1996	1995
\$	3,418,942 50,981	\$ 2,875,007 65,445	\$ 2,101,145 54,385	\$ 1,780,616 46,895	\$ 1,798,970 40,360	\$ 1,723,057 32,242
	1.24 to 1	1.25 to 1	1.54 to 1	1.56 to 1	1.68 to 1	1.44 to 1
\$	167,160	\$ 144,638	\$ 197,659	\$ 178,203	\$ 155,569	\$ 113,339
	851,023	729,620	566,007	497,361	383,644	368,614
	1,384,376	1,220,186	807,489	737,643	572,505	533,947
	146,820	135,371	26,221	54,095	36,300	17,799
	495,543	448,717	371,405	324,308	283,387	238,761
	10.80 %	15.96 %	15.63 %	15.43 %	15.46 %	14.68 %
\$	2,217,200	\$ 1,628,100	\$ 1,004,500	\$ 912,057	\$ 845,300	\$ 828,400
	5,430,100	4,448,200	3,329,500	3,050,000	2,750,200	2,625,000
\$	0.97	\$ 1.27	\$ 1.06	\$ 0.91	\$ 0.79	\$ 0.64
	0.96	1.24	1.04	0.90	0.78	0.64
	9.36	8.47	7.12	6.24	5.47	4.70
	52,947	52,956	52,192	51,978	51,842	50,768

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.



CONSOLIDATED BALANCE SHEETS

September 30, 2004 and 2003 (in thousands, except share information)

	2004	2003
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 100,075	\$ 126,155
Receivables	902,444	778,056
Deferred income taxes	59,159	57,395
Prepaid expenses and other	21,835	8,491
Total current assets	1,083,513	970,097
Property, Equipment and Improvements, Net	151,182	142,103
Other Noncurrent Assets:		
Goodwill	547,601	395,808
Other	288,748	162,502
Total other noncurrent assets	836,349	558,310
	\$ 2,071,044	\$ 1,670,510
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	\$ 1,257	\$ 467
Accounts payable	195,918	196,218
Accrued liabilities	377,168	299,687
Billings in excess of costs	103,750	98,309
Income taxes payable	7,821	16,733
Total current liabilities	685,914	611,414
Long-term Debt	78,758	17,806
Other Deferred Liabilities	295,689	193,910
Minority Interests	5,656	5,297
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 - 56,698,514 and 55,836,135 shares, respectively	56,699	55,836
Additional paid-in capital	174,563	143,973
Retained earnings	820,468	692,943
Accumulated other comprehensive loss	(43,942)	(48,318)
	1,007,788	844,434
Unearned compensation	(2,761)	(2,351)
Total stockholders' equity	1,005,027	842,083
	\$ 2,071,044	\$ 1,670,510

CONSOLIDATED STATEMENTS OF EARNINGS

For the Years Ended September 30, 2004, 2003, and 2002 (in thousands, except per share information)

	2004	2003	2002
Revenues	\$ 4,594,235	\$ 4,615,601	\$ 4,555,661
Costs and Expenses:			
Direct costs of contracts	(3,929,560)	(3,989,714)	(3,971,984)
Selling, general and administrative expenses	(466,409)	(428,772)	(411,307)
Operating Profit	198,266	197,115	172,370
Other Income (Expense):			
Interest income	3,065	1,356	2,359
Interest expense	(3,565)	(3,252)	(7,496)
Miscellaneous income, net	658	1,720	1,521
Total other income (expense), net	158	(176)	(3,616)
Earnings Before Taxes	198,424	196,939	168,754
Income Tax Expense	(69,449)	(68,929)	(59,064)
Net Earnings	\$ 128,975	\$ 128,010	\$ 109,690
Net Earnings Per Share:			
Basic	\$ 2.30	\$ 2.32	\$ 2.03
Diluted	\$ 2.25	\$ 2.27	\$ 1.98

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2004, 2003, and 2002 (in thousands)

	2004	2003	2002
Cash Flows from Operating Activities:			
Net earnings	\$ 128,975	\$ 128,010	\$ 109,690
Depreciation and amortization of property, equipment and improvements	34,154	35,350	35,087
Other, net (primarily changes in the working capital accounts)	(75,367)	(15,816)	15,986
Net cash provided by operating activities	87,762	147,544	160,763
Cash Flows from Investing Activities:			
Acquisitions of businesses, net of cash acquired	(163,752)	—	(43,529)
Additions to property and equipment, net of disposals	(29,295)	(22,497)	(31,806)
Other, net	(10,013)	4,841	(17,196)
Net cash used for investing activities	(203,060)	(17,656)	(92,531)
Cash Flows from Financing Activities:			
Net proceeds from (repayments of) long-term borrowings	58,263	3,532	(117,899)
Net proceeds from (repayments of) short-term borrowings	(3,121)	(80,483)	24,288
Proceeds from issuance of common stock	27,661	27,849	21,672
Purchases of common stock for treasury	—	—	(2,003)
Other, net	8,549	(5,861)	9,239
Net cash provided by (used for) financing activities	91,352	(54,963)	(64,703)
Effect of Exchange Rate Changes	(2,134)	2,761	(4,323)
Increase (Decrease) in Cash and Cash Equivalents	(26,080)	77,686	(794)
Cash and Cash Equivalents at Beginning of Period	126,155	48,469	49,263
Cash and Cash Equivalents at End of Period	\$ 100,075	\$ 126,155	\$ 48,469
Other Cash Flow Information:			
Interest paid	\$ 2,396	\$ 4,191	\$ 6,156
Income taxes paid	\$ 76,763	\$ 58,044	\$ 41,138

SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION

Registrar and Transfer Agent

Wells Fargo Shareowner Services
South St. Paul, Minnesota

Shareholder Services

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

Wells Fargo Shareowner Services
161 North Concord Exchange Street
South St. Paul, Minnesota 55075-1139
800.468.9716

Web site:

<http://www.wellsfargo.com/shareownerservices>

Independent Registered Public Accounting Firm

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.
Executive Vice President,
Finance and Administration
and Treasurer

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

PICTURED

Cover

(clockwise from left)

Nederlandse Aardolie Maatschappij BV (a Shell/Exxon Joint Venture), L9 Platform, Dutch Continental Shelf, The Netherlands
Florida Department of Transportation, I-75 Peace River Bridge Design-Build Project, Florida
NASA, George C. Marshall Space Flight Center, Huntsville, Alabama

Inside Front Cover

(clockwise from left)

Citgo, Coker Drum Replacement, Lake Charles, Louisiana
Diamond Light Source Ltd., Diamond Synchrotron, Rutherford Appleton Laboratory, Oxfordshire, United Kingdom
University of Texas, School of Nursing, Houston, Texas

Market Profile (pages 8-9)

(top left to right)

BP, Clean Gasoline Project, Cherry Point, Washington
Nevada Department of Transportation, I-515/215 Interchange, Henderson, Nevada
Eli Lilly & Company, Dry Kit #3, Carolina, Puerto Rico
University of Colorado Health Sciences Center, Research Complex 1, Fitzsimons
Campus Development, Aurora, Colorado (photo: Jason A. Knowles, courtesy of Fentress Bradburn Architects)
Stora Enso North America
Behr America, Climatic Wind Tunnel, Troy, Michigan

(bottom left to right)

Group Office Cherifien des Phosphates, New 120 mtpd DAP Fertilizer Plant, Jorf Lasfar, Morocco
Stanford Linear Accelerator Center (a national laboratory operated by Stanford University for the U.S. DOE), Menlo Park, California
Codi International bv (part of the Suominen Corporation), Maxi Codi Project, Veenendaal, The Netherlands
U.S. Department of Energy, Aerial View of Completed Liner Installation at Seepage Pits 2, 3, and 4, Oak Ridge, Tennessee
Scottish and Southern Energy, Underground Gas Storage, United Kingdom
NASA Langley Research Center, Hampton, Virginia

Inside Back Cover

(top to bottom)

Eli Lilly & Company, Dry Kit #3, Carolina, Puerto Rico
Arkema Inc., Sulfox Project, Beaumont, Texas

Back Cover

(clockwise from top)

Codi International bv (part of the Suominen Corporation), Maxi Codi Project, Veenendaal, The Netherlands
U.S. Army Corps of Engineers, New Bedford Harbor Cleanup, Massachusetts
Ford Motor Company, Driveability Test Facility, Allen Park, Michigan

“Wherever I may be in 10, 15 or 20 years from now, I assure you I shall be standing quietly in the wings applauding gently, with ill concealed pride in having started this great company on its way.”

DR. JOSEPH J. JACOBS



JACOBS

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

