



*“ Safety has been a constant focus by the Jacobs project team and clearly a number 1 priority. Their safety program contributed greatly to the project’s success. This success includes approximately \$12 million in cost savings documented in JE Value Plus on the Saudi NCP Project.”*

**Kevin Newsome, Project Manager,  
ChevronPhillips Chemicals, Saudi Arabia**





MARKET PROFILE

From concept to completion and on to operation and maintenance, we provide clients with the full range of professional and technical services in 11 markets.

REFINING [page 6]

- Crude/vacuum units
- Conversion: FCCU, hydroprocessing, coking
- Clean fuels: gasoline and diesel
- Reforming/aromatics
- Treating/sulfur removal

INFRASTRUCTURE [page 8]

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

PHARMACEUTICALS & BIOTECHNOLOGY [page 10]

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

BUILDINGS [page 12]

- 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

CONSUMER & FOREST PRODUCTS [page 14]

- Food processing, packaging, and material handling
- Malting, brewing, fermenting, and blending processes
- Bottle, can, and keg packaging
- Personal care product facilities
- New paper machines and rebuilds
- Converting and packaging
- Mill optimization — energy/utility maintenance and shutdowns

AUTOMOTIVE & INDUSTRIAL [page 16]

- Building, equipment, and systems layout and integration
- Automotive test facilities: powertrain test cells, emissions chambers, climatic wind tunnels, and aero/acoustic wind tunnels
- Test facilities operations, maintenance, and metrology
- Modeling and simulation



CHEMICALS & BASIC RESOURCES [page 18]

- Organic/inorganic chemicals
- Olefins
- Polyolefins
- Specialty polymers
- Phosphates and potash

TECHNOLOGY [page 20]

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

ENVIRONMENTAL PROGRAMS [page 22]

- Accelerated environmental cleanup
- Infrastructure sustainment, restoration, and modernization
- Nuclear facilities decontamination and decommissioning
- Chemical and explosive ordnance demilitarization
- Environmental consulting, contaminated lands, and flood control

OIL & GAS [page 24]

- Gas compression/transmission/treatment/handling
- Sulfur recovery
- Water treatment, disposal, and water flooding
- Offshore platforms and topsides
- Oil and gas production
- Heavy oil production and oil sands extraction

AEROSPACE & DEFENSE [page 26]

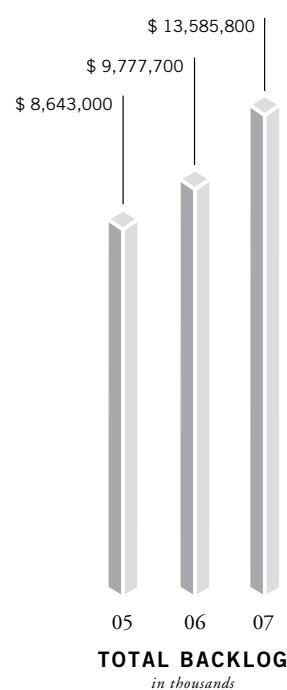
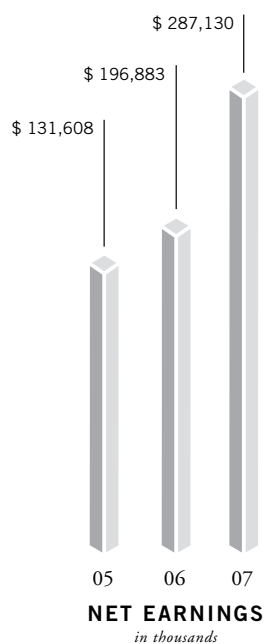
- Technical, engineering, and scientific mission support
- Information technology and enterprise information support
- Advanced aerospace research/development/test & evaluation facilities and laboratories

## SELECTED FINANCIAL HIGHLIGHTS

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

	2007	2006	2005
Revenues	\$ 8,473,970	\$ 7,421,270	\$ 5,635,001
Net earnings	287,130	196,883	131,608
Per share information:			
Basic EPS	\$ 2.42	\$ 1.69	\$ 1.15
Diluted EPS	2.35	1.64	1.12
Net book value	15.08	11.82	9.93
Closing year-end stock price	75.58	37.37	33.70
Total assets	\$ 3,389,421	\$ 2,853,884	\$ 2,378,859
Stockholders' equity	1,843,662	1,423,214	1,165,780
Return on average equity	17.58 %	15.21 %	12.00 %
Stockholders of record	1,193	1,106	1,076
Backlog:			
Technical professional services	\$ 6,188,500	\$ 5,153,400	\$ 4,329,000
Total	13,585,800	9,777,700	8,643,000
Permanent staff	36,400	31,700	27,200

The financial statements for all fiscal years prior to fiscal 2006 have been adjusted to include the effects of adopting SFAS 123 (R) — Share-Based Payment using the modified retrospective application method of adoption.



To Our Shareholders, Customers, and Employees

Our company had another great year in FY07. It was a year with a number of record performances including:

- Record revenues of \$8.5 billion
- Record net earnings of \$287.1 million
- Record backlog of \$13.6 billion
- Record net cash of over \$550 million
- Fiscal 2007 diluted EPS increased 43.3% to \$2.35 per share
- Our highest quality scores
- Almost \$2 billion in savings to our clients through our Value Plus program
- A record number of new people choosing to join Jacobs.

There is no question that the company performed well throughout the year. We had the benefit of a very robust market and strong activity across virtually all of the businesses Jacobs supports. As we enter the new fiscal year, prospects remain strong and we expect another good year for our company.

Not everything was entirely to our liking. While our safety performance improved to the best levels in our history, we still injured too many people working for Jacobs and our projects. We are clearly among the best performing companies in our industry, yet we need to do much better. To do so requires that we do more than implement the procedures and processes that have brought us to where we are today. The behavioral and observational model driving today's performance needs to be balanced with an intentional and cultural approach. When combined, these two aspects of our approach are what are needed to achieve a dramatic reduction in incidents and injuries. We call this combined approach Beyond Zero<sup>sm</sup>, stemming from the provocative question, "How do we go beyond zero incidents and injuries?"

Today, we don't have the answers to that question, but we are committed to find out. We do have some ideas of what that looks like. It is a place where people go home healthier than when they left. It is a 24/7 view of our people and their families' health and safety. It is where a culture of caring drives the "why" of safety and therefore the "how." We expect Beyond Zero<sup>sm</sup> to dramatically impact our safety, our productivity, our retention, and our growth.

Another aspect of our performance that pleased us this year was the continued increase in documented savings that we are delivering to our clients through our Value Plus program. We established Value Plus to focus continuously on finding ways to improve our customers' businesses. This may be a result of cost avoidance, operating improvements, reliability changes, capital cost reductions, or a myriad of other factors. This program was a terrific success in FY07; we were able to identify and implement nearly \$2 billion in Value Plus savings for our customers — each element of which was documented and certified by our customers. This is a powerful competitive advantage for our business. It continues to reinforce our culture of going the extra mile for our customers, understanding the customers' businesses, and assuring their businesses are better for having worked with Jacobs.

Another area of focus for us last year, and a continuing area of focus as we go forward, is in our alliance relationships with our customers. We had significant success in FY07 in adding a number of alliance relationships for clients around the globe encompassing both large and small projects and programs. We put a lot of emphasis on maintaining relationships and on being sure that our alliance partners

and core clients were well served in what is a very robust marketplace. We were clearly very successful in keeping our core clients' projects staffed and executed well. The combination of our dedication to those core clients and our disciplined use of processes and procedures that lead to flawless execution of our customers' work were well rewarded this year by additional business from those customers. Record quality scores attest to this fact and we expect to see that continue in FY08.

Our focus on people continued to pay off for us as well. We regularly conduct employee satisfaction surveys and our results continue to show marked improvement across the board. In some areas, we have achieved best-of-class performance in employee satisfaction. In other areas, we have more work to do, but we continue to demonstrate the commitment to our core values. Our customers needed us to grow to serve their needs and we did. We were able to hire more than 4,500 new people into the company and brought in another 5,000 through our acquisitions of Linder, John Brown, Edwards and Kelcey, and most recently Carter & Burgess. About 54,000 employees now choose Jacobs as their employer of choice. This represents a significant competitive advantage for our company — the ability to staff work and help our customers succeed is a critical factor in our long-term relationships and our ability to deliver on our promise to our customers.

One of the great strengths of our company is the character of our Board of Directors. Their collective wisdom is a major contributor to our success. There were several changes to our Board during the course of the year. Dr. Linda Jacobs and Dave Petrone retired from our Board after having served 21 years and 20 years, respectively. They made significant contributions to our


growth during the course of their tenure. Dr. Linda Jacobs will continue to be associated with the company as Director Emerita. We were very fortunate to be able to recruit General John Jumper to our Board. General Jumper spent his career in the U.S. Air Force, rising to be Air Force Chief of Staff and a member of the Joint Chiefs of Staff.

When you sum it all up, your company performed very well. We continue to work on the important things that drive our business success: being safe, delivering value to our customers, executing projects flawlessly, and being the employer of choice. Those things don't change.

Thank you all — shareholders, customers, and employees — for your commitment to our company. With your support there is no limit to what we can achieve.



  
Craig L. Martin  
President and CEO

  
(seated)  
Noel G. Watson  
Chairman



This year’s record performances are a direct result of delivering on our promise. In the pages of this summary annual report, we highlight aspects of our performance supporting our clients’ projects and programs. For years, we’ve talked and written about the importance of our relationship-based business model and its ability to deliver uniquely superior value to our customers. Our culture is one of long-term relationships, a high-level of customization, and a continuous improvement focus; all of which produce steadily improving outcomes for our customers.

Performing well and consistently finding ways to delight our customers raises their expectations and standards for our performance. Our customers expect much more of us today than they did 10 years ago. When we get it right our customers are outspoken in their praise for both the experience of working with Jacobs and the results that we produce.

Another perspective considers the broader industry viewpoint. The business of designing and building things has been around for a few thousand years. Even with that much practice, our industry doesn’t consistently deliver projects and programs to the original parameters: on time, on budget, and with the requisite quality. One refinery customer recently mentioned that, according to an independent

analysis, 85 percent of all large programs and projects fail. While mega projects can be the most challenging, this shows how often our industry delivers poorly on its promises.

In some ways, this is good news for us. When we execute flawlessly, we create a gap between our performance and that of our competition and reinforce our business model as the preferred alternative. Our projects and programs are large, complex, and of long duration when compared to other kinds of production in other businesses. We have an excellent suite of tools and work processes to help us deliver predictably and consistently. One tool is JVEPS<sup>sm</sup>, our 22 value enhancing best practices that we use to increase the likelihood of project success. When we combine good people, good tools and processes, and the discipline to use them, we get predictable and consistent results.

Without predictable and consistent delivery we won’t achieve the uniquely superior customer value that our business model promises. We need both the results and the experience to be astonishingly good. If we use our tools and our processes with discipline — and apply our energy to anticipating and overcoming the challenges that we encounter — we can exceed our promises.

Flawless Execution is a key element in our constant drive to improve our performance and to make the relationship-based business model the model of choice for our customers.

The other aspect of a flawless performance is the customer’s experience. Our core value — we are a relationship-based company — demands more than just great results. We also promise the customer a good experience in working with Jacobs. Part of a good experience goes back to discipline. When the customer has confidence in our disciplined application of our work processes, systems, and tools, we have a good start. But customers want more. They want to see the passion and commitment, and the intensity that we have to help them be successful.

This shows in several ways. Customers want to feel we have a sense of stewardship for their business and their investment. Some of our great successes with customers have involved finding ways to avoid projects or ways to do projects more economically than the customer expected. We created our Value Plus program for just that reason — to help all of us stay focused on finding ways to make the customers’ businesses better. This year, we delivered some \$2 billion in savings to our customers.

Another way is through their interactions with our people. After all, we are a people-driven organization. Last year, we spent over 579,000 hours on training. Growing and learning are part of our culture.

When we combine these qualities, we get truly flawless execution and customers who come back to Jacobs repeatedly to do their work. When we win our clients’ loyalty, our growth and our futures are assured. It is a matter of discipline, intensity, and integrity.



(left to right)  
GREGORY J. LANDRY  
*Executive Vice President, Operations*  
JOHN W. PROSSER, JR.  
*Executive Vice President, Finance, Administration & Treasurer*  
THOMAS R. HAMMOND  
*Executive Vice President, Operations*  
GEORGE A. KUNBERGER, JR.  
*Executive Vice President, Operations*

[1] We have served as value engineering consultant to New York City Transit (NYCT) since 1997 under four on-call contracts with fees to date exceeding \$6 million. NYCT has recognized a return on investment greater than 65 to 1.

[2] Part of a development initiative for our young professionals, this “Jacobs Future” group visits DSM’s ammonia plant in The Netherlands.

[3] Through our 21 years of continual service to the Air Force under the Technical and Engineering Acquisition Support (TEAS) contract, we’ve delivered on our promise. In FY07, we delivered over \$21 million in client-approved Value Plus suggestions.



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REFINING

The refining industry is thriving as high prices and high demand continue, with particularly strong growth in the developing economies of India and China. This demand, coupled with the need for a wider range of feedstock processing and the requirement to meet more stringent environmental regulations in the United States and Europe, is driving investment in existing refineries.

New refinery investment remains extremely robust in the resource-rich regions of North Africa and the Middle East due to the desire to add value at the source and to respond to growing regional consumption. We are supporting this activity through specialist consultancy and project services from our growing network of local offices.

We believe new regulations, such as off-road ultra low sulfur diesel, and new ambient air quality standards for ozone and particulates, will drive new investment requirements in the industry over the next several years. We are actively involved in such projects, through our proprietary sulfur removal technology (Super Claus®), which has a dominant market share for installed capacity. Biofuels, and particularly biodiesel, is an area of increasing project activity that we are actively working on in Europe.

*"As engineering firms go, Jacobs 'gets it'. Their project team has demonstrated alignment with Motiva's focus on safety and business objectives. Their team communications and overall response are outstanding. I am pleased with the quality of their services. It's a pleasure doing business with Jacobs."*

**Kurt Falgoust**, Manager, Facility Siting Projects, Motiva Enterprises LLC, Convent, Louisiana



*"Working for a multinational engineering organization like Jacobs allows us to meet people belonging to different nationalities, communities, and cultures and to broaden our horizons. Such an opportunity came during a clean fuel program that involved three refineries in the U.S. A month-long visit by our Mumbai leads to the American lead office helped establish work processes and effective communication routes."*

**Soumi S.**, Chief Engineer, Mechanical Group, Mumbai, India

- [1] Modular construction is helping Motiva Enterprises overcome labor shortages in the Gulf Coast area to implement part of its clean fuels program at the Port Arthur, Texas, refinery. We provided 21 modules, moving over 100,000 labor hours off-site with excellent safety results and a reduced schedule. We're also continuing our work on a \$7 billion expansion at the refinery making it the largest in the U.S. and one of the largest in the world.

[2] During the last 12 months, we completed EPCM activities on a grassroots 65,000 barrel per day desulfurization unit for ConocoPhillips' low sulfur gasoline project in Belle Chasse, Louisiana. As a result of our work, the project received the National Petrochemicals and Refiners Association safety award and delivered \$20 million in client-approved value engineering savings.
- [3] We completed engineering design, procurement, and construction assistance for a new 36,000 barrel per day grassroots distillate hydrotreater unit at BP's Whiting, Indiana, facility. Extra effort to assist vendors in resolving problems kept the \$128 million project on schedule, and we delivered \$28 million in client-approved value engineering savings to help the project earn a superior rating from Independent Project Analysis.

[4] Multi-office execution and standardized work practices helped us save €5 million (US \$7.4 million) for BP Raffinaderij Rotterdam's reconfiguration program in Rotterdam, The Netherlands. While working in our Leiden, The Netherlands, and Mumbai, India offices, we conducted more than 500,000 workhours with zero recordable incidents.



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Spending for major infrastructure programs continues at record levels. Most industrialized countries have aging infrastructure that requires maintenance, retrofit, upgrade, or replacement, all of which demand higher levels of capital and operating expenditures. In addition, spending for infrastructure is expanding in less-developed countries as new funds become available. In the U.S., funding for roads, aviation, and transit programs remains stable and strong. With the renewal of the Water Resources Development Act (WRDA) in late 2007, many long-delayed water infrastructure programs can now be implemented.

National spending is complemented by robust state and local infrastructure funding initiatives that are driving the completion of key projects. Many agencies are pursuing public-private partnership projects that use private capital to expedite initiating larger projects. We are key delivery partners with our clients, supporting traditional and alternative delivery methods.

Construction in the water and transportation sectors continues to increase in the U.K. Over the next three years, spending is expected to grow further, particularly in rail and stormwater relief projects.

Globally, we have excellent resource coverage to support key infrastructure programs through the next several years.

*"We were very happy with the safety input Jacobs gave us on the Design-Build Roads Project. They always responded ahead of schedule. The staff was very good and always available when required. We are very satisfied with the service. We'd have no hesitation to recommend Jacobs to others."*

**Matt Corridan**, Senior Engineer, Kerry National Roads Design Office, Kerry County Council, Republic of Ireland



*"As part of the recent Edwards and Kelcey acquisition, I have just been introduced to the Jacobs world, and I am excited at what I see. Jacobs has some challenging projects upcoming that will keep me interested for a very long time."*

**Hung-Pui (Johnny) H.**, Project Engineer, New York City, New York

- [1] As one of four major East River crossings, the Manhattan Bridge serves as a vital link between Manhattan and Brooklyn, carrying traffic on two roadway levels plus four subway tracks. For more than 25 years, we led the City of New York's \$300 million inspection and rehabilitation design initiative. Using careful staging kept all types of traffic moving smoothly.
- [2] For more than eight years, our feasibility reports and bond financing assistance have helped the Port of Seattle fund improvements at the Seattle-Tacoma International Airport in Washington. We helped the Port issue approximately \$300 million in new bonds with lower coverage requirements, thereby reducing costs in the airline rate base.

- [3] After a 50-year absence, rail transit returned to the Twin Cities to the acclaim of both riders and its owner-operator. Here, riders board at the Government Center Station in downtown Minneapolis, Minnesota, one of 15 stations creatively designed by our joint venture team to blend with their surroundings. Our design also accommodated an "11th hour" realignment at the Mall of America while maintaining its opening schedule.
- [4] We are the lead tunnel project design engineer for the Phase I, \$340 million combined sewer overflow abatement project in Providence, Rhode Island. This is the state's largest public works project and the Narragansett Bay Commission's first bored tunnel project. To remain on schedule, the 30-foot diameter boring machine, shown here, mined 24 feet per day on the 16,150-foot-long main spine storage/conveyance rock tunnel.



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- [1] In the past year, we surmounted substantial challenges while providing full EPCM services for GlaxoSmithKline's biopharmaceuticals expansion in Upper Merion, Pennsylvania. These included limited logistical space and working within and adjacent to an existing, operating facility. The new 53,000-square-foot facility supports production of Mepolizumab (Mepo), a drug currently in clinical development to treat Hypereosinophilic Syndrome (HES), a leukoproliferative disorder that results in organ damage.
- [2] We leveraged our pharmaceutical small-scale facility experience to incorporate design concepts for Pfizer's active pharmaceutical ingredient (API) Kilo plant in Little Island, County Cork, Ireland resulting in significant benefits. Developing project layouts on a 3D CAD platform enabled the design team to optimize space and minimize building and operating costs by locating the production area between the wet utilities on the ground floor and the air handling services on the second floor.

- [3] Our modular design and fabrication of construction components minimized congestion in a tight construction area for Bristol-Meyers Squibb's sterile expansion of their parenteral drug facility in Manati, Puerto Rico. We are providing ongoing design, construction assistance, and validation support for the expansion that includes about 150,000 square feet of new and renovated space.

## PHARMACEUTICALS & BIOTECHNOLOGY

Investment in the pharmaceutical and biotechnology industries remains robust and is becoming more global, fueled in part by the global need for vaccine manufacturing capacity. Biopharmaceutical products remain a significant area of development for many of our clients.

As companies in the pharmaceuticals industry continue to experience pressure to decrease product time-to-market, reduce costs, and increase return on investment, the types of services we provide have grown to include modular construction, consulting, and strategic planning to help our clients complete capital projects faster and more efficiently. We also integrate commissioning and validation services, helping reduce the amount of time required to introduce a new drug into the marketplace.

Furthermore, India and Eastern Europe are witnessing both increased inward investment and rapidly growing populations. Our local operations in these areas enhance our abilities to undertake projects for such investors.

Continued strong investment in the global process industries is expected in the years to come, and we remain unconditionally committed to the growth and success of our clients in the pharmaceutical and biotechnology industries.

*"Jacobs' project team members do their utmost striving for excellence. They are highly knowledgeable and technically qualified for the job, are responsive, and pay attention to our concerns. Their interactive planning session made everyone involved an 'owner' of the schedule. If there is a problem, Jacobs presents us with the problem at the same time they offer a solution."*

**Leo van den Heuvel**, Project Manager, Netherlands Vaccine Institute, Bilthoven, The Netherlands



*"I enjoy working with the people here at Jacobs. We have a good group of management and craft that works really well together. We also have a great safety program, which everyone from management to craft supports, making this a very safe place to work."*

**Wesley P.**, Piping Planner, Charleston, South Carolina



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- [1] Placing investigators at the nexus between emerging technologies and their biomedical applications, the \$500 million Janelia Farm Research Campus at Howard Hughes Medical Institute (HHMI) in Ashburn, Virginia, includes an 180,000-square-foot green roof system — the second largest in the U.S. As project manager, we implemented HHMI's vision for the campus, leading a collaborative sustainability symposium that was instrumental in developing the project's sustainability strategy early in the budgeting process.
- [2] When completed, the National Air Traffic Services' traffic operations and control center in Prestwick, Scotland, will provide a 24/7/365 service. We supported this project with full architectural and engineering design services and are providing project management during construction. Following intensive value engineering sessions at the design concept stage, we delivered an estimated £7 million (US \$13.8 million) in cost savings on the building design.

- [3] The new Tecate Port of Entry renovation project for the General Services Administration in Tecate, California, increased commerce and security for the U.S. and Mexico while staying within post 9/11 Department of Homeland Security guidelines. Our CM services overcame many obstacles, completing the project three months ahead of schedule, under budget, and with fewer than one percent change orders.
- [4] Fast mobilization and a depth of ready, experienced resources helped us respond to the needs of the Louisiana and Mississippi Army National Guards in the aftermath of Hurricanes Katrina and Rita. We assisted with the assessment of more than 700 buildings, including historic structures, developed programming and design documents, and awarded all construction contracts for the \$480 million program in only nine months — a process that normally takes 2 years to complete.

BUILDINGS

In 2007, demographic trends, shifts in population, and sustainable design continued to drive strong growth across both North American and European buildings markets — especially in the healthcare, research, and education segments. Together with U.S. military global repositioning and base realignment, we see continued strong demand for design, program, and construction management for our buildings business.

We focus our efforts and resources in segments where capital spending initiatives drive demand and where changes and advances in technology require innovative, value adding solutions. Typical projects include major primary and secondary education capital improvement programs, state and local government courts and correctional facilities, hospitals and health & research facilities, as well as mission-critical facilities.

We expect these trends to continue in the coming years. Using advance planning tools such as our charrette and interactive planning processes, as well as state-of-the-art visualization and Building Information Modeling techniques, we help our clients maximize return on investment on real capital expenditures while meeting functional requirements.

*“Jacobs has very good communications and they are very responsive. They demonstrated attention to the client's needs and expectations. The milestones have been met. A lot of benchmark elements have been presented by Jacobs which helped us justify the project cost and also identify significant savings.”*

**Dominique de Valeriola**, General Medical Director, Institut Jules Bordet, Brussels, Belgium



*“ The thing that I enjoy the most about working for Jacobs is that you have the opportunity to run projects as if they were your own — you are not ‘micro managed.’ The ability to work with the very best in the construction industry can be found within the Jacobs family.”*

**Ken A.**, Project Manager,  
Sacramento, California



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- [1] Providing innovative solutions in the early stages of project development, our 120-person consumer & forest products process staff exceeded its goal by delivering over \$25 million in savings this year to our client alliance partners. Our process staff averages over 25 years experience in engineering, operations, and equipment manufacturing enabling them to develop creative approaches to achieve our clients' safety, speed-to-market, and reliability goals at the lowest practical cost.
- [2] To meet worldwide demand for high quality carbon fiber, we helped a confidential client upgrade one of their existing manufacturing lines located in Tennessee. This client endorsed our safety program from day one — incorporating our safety goal of zero recordables and zero accidents into the performance related bonus schedule. Both goals were met, and the project won awards from both companies for overall project performance.

- [3] Our Pulp & Paper Consultancy worked with a primary supplier to the industry, representing the needs of the manufacturers and consumers of premium tissue, providing critical feedback and guidance to the design process. The result to the industry was a machine design which had the capability of reducing energy costs by 35% compared to existing technology, at a potentially lower investment cost, while reducing the need for fiber.

## CONSUMER & FOREST PRODUCTS

Product differentiation and the consolidation of assets continued to be the trend in the consumer and forest products markets. Owners sought to reduce costs and narrow focus on high end products resulting in higher margins. Improving brand equity and the need for increased market share meant speed-to-market with innovative products was a consistent driver in utilizing capital.

Working closely with our multiple alliance partners, we apply our knowledge of their asset base and business goals to assure existing assets produce the most financially viable product mix. Sharing work with our India-based high-value design center results in substantial cost savings, freeing up capital for additional high-return investments.

As investment moves internationally, we continue to expand our industry boundaries, engaging our global network to support our core clients as they gain entrée into emerging and developing countries. In the past year, we executed work for owner facilities in South America, Eastern Europe, India, and Southeast Asia.

As we look ahead, we foresee continued consolidation and continued international investment. Our favored relationships with industry owners, coupled with our position as leaders in the market place, enable our continued growth to meet our clients' needs.

*"Jacobs' assistance in providing a usable and trackable schedule was invaluable on the #3 Paper Machine Rebuild Project. The team members were experienced, knew their roles and functions, and conducted their work in a professional manner. They brought construction knowledge to the field that was needed and their methods and quality of install were part of that knowledge that led to a successful conclusion."*

**Don Harrison**, Project Manager, Boise, Wallula, Washington



*"I enjoy the daily challenge of multi-tasking a variety of responsibilities, both project and non-project related, and successfully juggling unexpected daily events. Keeping communications between Jacobs and our clients timely and accurately are highly important to me. On all of the projects I have supported, I enjoy the team spirit and interaction with clients. Mutual respect keeps me working at Jacobs; I am made to feel that what I have to contribute is valued."*

**Melissa Z-W.**, Administrative Services Coordinator, Greenville, South Carolina



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## AUTOMOTIVE & INDUSTRIAL

2007 was a challenging year for U.S. automakers confronting the new reality of global competition. Although this resulted in scarce capital investment in new product development infrastructure, these companies continue to seek support to operate and maintain existing facilities. For original equipment manufacturers, we expanded our support beyond product testing to include manufacturing settings and continue our support as they plan significant capital investment in research and development (R&D) facilities in Europe and Asia to improve energy efficiency and enhance owner experience.

The global motorsports market remains robust, as does our leadership position in supplying high-tech wind tunnels, with our adaptive wall test section becoming the technology of choice.

In the industrial sector, manufacturers face rising competition and look for ways to enhance reliability and reduce production and maintenance costs to gain a competitive edge.

The coming year offers opportunities to design and construct new facilities as well as operate and maintain existing ones. The concentration of capital investment in Europe, China, and India highlights the global nature of the automotive industry, and our strong presence in India positions us for opportunities in this emerging market.



*"I have worked for this company for 28 years and have had the opportunity to move around within the organization and try a lot of different positions throughout my career. The projects I have worked on with Jacobs have been both challenging and rewarding and I've made some great friends along the way."*

**Steve P., Operations Manager,  
Southfield, Michigan**

*"Jacobs always works very professionally and efficiently. Jacobs is, in my opinion, one of the top companies regarding wind tunnels."*

**Dr. Werner Hutter**, Project Manager, BMW Group, Munich, Germany

- [1] A long-time partner with the Ford Motor Company, we provide extensive testing services to Ford as well as more than 30 other automotive companies at the Driveability Test Facility in Allen Park, Michigan, and assist in developing next-generation vehicles, including those that use hybrid powertrains and alternative fuels for reduced environmental impact.
- [2] A first-of-its-kind facility for the NASCAR racing community, Wind Shear, Inc.'s wind tunnel is under construction in Concord, North Carolina. Our design enabled Wind Shear to save \$2 million by using concrete for circuit ducting instead of conventional steel. As part of our total turnkey design/build/operate services agreement, we will begin operation of the tunnel in early 2008.

- [3] Under a five-year contract, we are helping British Energy carry out its large capital investment program at five sites including Hinkley Point, shown here. As a strategic partner, we're undertaking major maintenance and plant replacement work designed to enhance reliability.
- [4] We are assisting BMW in the challenge of designing and constructing a unique "nested" wind tunnel in an existing R&D facility. The project will co-locate vehicle design and development facilities, enabling a smaller building and reducing land needs that resulted in cost savings for the company's Aerodynamisches Versuchszentrum center in Munich, Germany.



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## CHEMICALS & BASIC RESOURCES

The chemicals and basic resources markets are on an upswing after an extended flat period. Expansions and revamps are attracting investments in North America and Europe. A large volume of new investment is occurring in the Middle East and Asia due to both low feedstock cost and rapidly growing local markets. We expanded our local offices and enhanced our front-end design and overall management capabilities to address these specific client needs.

Work for clients in these industries include feedstock synthesis, chemical synthesis, and polymerization, including high-pressure processes to produce industrial chemicals and low-pressure multi-product processes to produce specialty and fine chemicals. Another area of focus due to high feedstock costs is gasification to produce the feeds for chemicals and fertilizers. Our involvement in these early studies positions us to help owners capitalize on return on investment opportunities by streamlining work processes and optimizing existing plant layouts for future expansions.

We see this resurgence continuing over the next few years as our clients plan a significant volume of investments during this period, with a continued focus on safety, reliability, and maintainability to keep operating costs down.

*"I believe that we truly have a partnership and that we are jointly working together in the best interest of both partners. Working with Jacobs has definitely been a benefit to us."*

**Tom Evins**, Maintenance Manager, Huntsman, Geismar, Louisiana



*"Designing facilities that involve a variety of engineering disciplines and developing a functional space that satisfies the client is an enormous challenge on any project. I really enjoy gathering the client's concerns and ideas and then designing a facility based on those interviews. We really work collaboratively with our clients. The opportunities and support that Jacobs offers is very encouraging, the 'let's find a resolution' attitude is not commonly found and is truly inspiring."*

**Rudy T.**, Architecture Team Leader,  
Houston, Texas

[1] Strict environmental rules and a fast-track delivery schedule were two of our main challenges in constructing Borealis' world scale 330,000 tons/year polypropylene plant based in Burghausen, Germany, using Borealis' proprietary BORSTARS technology. We organized the lift of the 200-ton, 64-meter-high loop reactor as a single lift into position after its assembly at ground level using one of the largest mobile cranes in Austria.

[2] Agrium Inc.'s award-winning ESN 150 project in Carseland, Alberta, Canada, is the world's first commercial scale (150,000 tons/year) production unit for broadacre Controlled Release Fertilizers (CRFs). CRFs optimize the delivery of nutrients to a crop and reduce fertilizer losses to the environment. Despite the challenges posed by extremely high construction activity, we were able to complete EPCM activities on this fast-track project in only ten months, meeting Agrium's aggressive schedule.

[3] We are providing engineering, procurement, and construction management for Huntsman's grassroots specialty chemical plant on Jurong Island in Singapore. Supported by our offices in Houston, Texas and Singapore, we built the new \$40 million plant to the highest levels of quality and safety — 900,000 hours without any incident.



[2]



[3]







[1]

# TECHNOLOGY

The research market continues strong to support international missions in science, energy, and national security. This research encompasses such diverse fields as materials sciences, chemistry, high-energy and nuclear physics, plasma science, biology, environmental studies, and the semiconductor industry. Our growing relationships with the U.S. Department of Energy’s National Laboratories enhance opportunities to provide additional value through facility design and construction and into laboratory business operations and maintenance.

For more than 50 years, we have provided advanced technology engineering services to the Department of Defense and provide a broad range of support to eight NASA sites.

Our approach to technologically advanced projects combines engineering with state-of-the-art design and construction techniques to create facilities with tight tolerances and advanced designs that attract top scientists to perform world-class research.

Looking ahead, we see this as a growing market and we are well-placed to continue providing engineering, construction, operation, and maintenance services for advanced research facilities, including those supporting research in fusion and fission energy, nanoscale materials, high-powered lasers, and x-ray science.

*“We are very pleased with Jacobs’ work products and their processes to ensure high quality on the Homeland Defense Operations Planning Systems. The company has a strong safety cognizance with excellent customer focus.”*

**Ray Schuder**, Project Manager, Lawrence Livermore National Laboratory, Livermore, California



*“ Jacobs is a solid, disciplined, diverse, and success-oriented company that reflects my personal values. Our leadership has a long history of emphasis on safety, quality, and business ethics and continues to grow as a result of an unwavering commitment to customer satisfaction. Jacobs’ integrated approach to employee treatment, ethics, and client focus sets it apart from other companies and results in an organization of which I am privileged and proud to be an employee.”*

**Danny W-S.**, Environment, Safety, Health, and Quality Representative, Argonne, Illinois

- [1] As the National Ignition Facility (NIF), Livermore, California, nears completion in 2009, it has set world records for laser performance with the commissioning of the first of NIF’s two 96-beam laser bays. This event marks over 10 years of our support to the project. Today, we continue to support NIF as it transitions to a national user facility with a projected operational lifetime of 30 years.
- [2] We continue to provide operations and business management support at the U.S. Department of Energy (DOE) Argonne National Laboratory in Argonne, Illinois. We introduced the lab to many of our core strategies and philosophies, including our environment, health & safety (EH&S) approach. At the end of the first year of the contract, our proactive EH&S focus has contributed directly to the Lab’s overall safety performance which is now among the leaders in the DOE complex.

- [3] We are helping prepare the linac at the Stanford Linear Accelerator Center in Stanford, California for a new job — electron production for the \$379 million Linac Coherent Light Source (LCLS), an innovative x-ray laser that will be 10 billion times brighter than any previous laser. Our design of conventional facilities met stringent structural, mechanical, and electrical tolerances, clearing the way for completion of the civil portion in 2008.
- [4] Argonne’s Center for Nanoscale Materials (CNM) in Illinois supports world-class interdisciplinary and collaborative research to advance nanoscience. Our construction management services supported CNM through the design, procurement, and construction phases, helping complete this project “incident-and-injury-free” with more than 200,000 hours worked.



[2]



[3]



[4]





ENVIRONMENTAL PROGRAMS

Compared to the volatile market of recent years, the U.S. environmental services market was stable this year as our government clients continue to expand the range and types of work they require. We maintain our focus on delivering value and innovation for environmental restoration programs while leveraging company-wide capabilities to meet broader client needs such as projects involving sustainment, repair, and modernization of military facilities and infrastructure.

We continue to serve our core U.S. Department of Defense (DoD) and U.S. Department of Energy (DOE) clients and selectively pursue new work with other U.S. government and state agencies. DoD buildup and redeployment in the Pacific Rim continue to generate opportunities for both environmental and infrastructure services work.

In the U.K., the near- and long-term market outlook for decommissioning and cleanup of civilian nuclear facilities remains robust as the government continues its divestiture of the British Nuclear Group. This is a growing market in the years to come and we are well-placed to capitalize on it having won a number of major framework contracts this year at the two highest-hazard sites.

*“Jacobs delivered key pieces of work on time and without delaying any waste management/environmental management projects. They came forward with realistic ideas and delivered them. Jacobs also gave honest/realistic estimates concerning timescales and were honest about what could be achieved by a given date.”*

**Alan Ball**, Waste Manager, Magnox South, United Kingdom



*“ I have been working in the instrument/ electrical construction industry for over 35 years. I started with Jacobs in 2001, and am now working in Japan. I am committed to safety and have been very successful in past projects, completing them with ZERO incidents. What keeps me at Jacobs? I love working with this company, and admire their commitment and philosophy when it comes to safety and high work ethics. I am looking forward to continuing to be part of Jacobs.”*

**Guadalupe L., Construction Manager, Misawa, Japan**

[1] FY07 saw us complete our highly successful support to the DOE on the Fernald Closure Project in Ohio. We served as a fully integrated and key member of the contractor team that achieved closure two months ahead of schedule and \$63 million under target budget — \$8 billion below original estimates. Of particular note was our role as Engineer of Record for the one-of-a-kind silos remediation facilities which represented the closure program's critical path.

[2] The Avenue Coking Works is currently one of the largest contaminated land projects in the U.K. We're helping the East Midlands Development Agency and English Partnerships implement innovative new policies in the way Brownfield sites are being remediated through our cleanup activities in this \$200+ million program.

[3] We have provided continuous support to DOE Oak Ridge since 1994, and we are making significant progress under the multi-billion-dollar joint venture contract to clean up old Manhattan Project facilities. At the East Tennessee Technology Park, 204 facilities, including radiological/chemical-contaminated buildings, have been demolished, reducing the footprint by more than 1,000,000 square feet.

[4] Our resource enhancement services assist Sellafield Ltd. in decommissioning and major projects at the Sellafield and Capenhurst sites in the U.K. as part of their \$26 billion lifetime plan for cleanup. Our project delivery services are helping accelerate facility cleanup, promoting faster, less expensive on-site project completion.



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[1]

- [1] As our construction scope moves to completion next year on Canadian Natural Resources Ltd.'s (CNRL's) Horizon project, near Ft. McMurray, Alberta, Canada, our focus shifts and expands to maintenance for the entire Upgrader. We bring more than 40 years of Canadian oil sands maintenance experience and are working with CNRL through construction to develop efficient maintenance strategies.
- [2] As part of our maintenance and small capital projects contract at the Muskeg River Mine in the Athabasca oil sands region of Alberta, Canada, we continue to work closely with Albion Sands Energy to direct ongoing maintenance strategies. These include attracting and retaining long-term maintenance personnel — a significant challenge in the current Canadian labor market.

- [3] Suncor recently recognized our team for overcoming numerous challenges on its Firebag expansion project in Ft. McMurray, Alberta, Canada, including scheduling, staffing in a competitive labor environment, scope definition, and optimization of the modular design. We completed the project on schedule, under budget, with no lost-time incidents at the home office or the construction site.
- [4] We continue working with Scottish and Southern Energy and their joint venture partner, StatoilHydro, on the underground gas storage development at Aldbrough, U.K. Currently we're providing pre-engineering services for the Phase II extension which is expected to double the site's gas storage capacity. When complete, the Aldbrough facility will be able to provide enough gas in a day to supply about 13 million homes.

## OIL & GAS

Oil and gas prices are at historically high levels and are expected to remain so in the near future. These prices are driving investment into additional reserves and enhanced recovery in the Middle East and Asia, as well as the oil sands in Canada and reserves in challenging areas such as within the Arctic Circle.

The demand for refined products and gas continues to grow, particularly in Asia, ensuring that new oil and gas investment will also continue at a high pace. In Europe, we also see increased investment in liquid natural gas terminals, underground gas storage, and distribution systems.

We provide full-service engineering, design, construction, and management services to our clients in the areas of exploration and production. Our innovative technical solution skills continue to help our clients in North America and Europe extend field life and progress with other revamp projects.

Looking ahead, we see continued higher energy prices and reduced traditional reserves driving the continued development of new reserves and the enhanced recovery from existing ones. We actively support our clients in these initiatives in North America, Europe, the Middle East, and Asia.



*"I try to lead by example with my personal commitment to safety. I have been with Jacobs roughly 22 years, 12 as foreman and 10 on tools — all without a first aid. There are many things that have kept me here at Jacobs. The first and foremost is the people that I work with make my job a lot easier. I have a great management team that is approachable and understanding, which makes a big difference in the workplace. I believe in Jacobs' safety program, it seems to me that we are always ahead of the curve."*

**Pat D., Scaffolding Foreman, Ft. McMurray, Alberta, Canada**

*"Every time we challenge Jacobs on the Lube Oil Plant Maintenance Project, they respond excellently. In addition, their excellent safety record speaks for itself."*

**Mark Hiseler, Maintenance Manager, Petro-Canada, Mississauga, Ontario, Canada**



[2]



[3]



[4]





[1]

Photo courtesy of NASA.

- [1] NASA's new Crew Exploration Vehicle (CEV) will take astronauts to the International Space Station, the moon, and beyond. At Ames Research Center in Moffett Field, California, we're helping test a scale model CEV in the unitary plan wind tunnel complex to measure its lift, drag, stability, acoustical environment, and surface pressure distributions as it slows from supersonic to subsonic speeds upon its return from space.
- [2] At Arnold Engineering Development Center in Tennessee, we developed a first-of-its kind, four-degree-of-freedom model position and control system for the DoD's largest segmented arc heater, the H3. The new design provides expanded testing capability, significantly reduces test set-up times to increase productivity, and saves \$1 million per year in operating costs.

- [3] Continuing our relationship with the Royal Australian Navy, we provided "cradle to grave" support for more than 20 Extended Maintenance Availabilities for ANZAC class frigates.
- [4] The HARM Targeting System (HTS) Release 7 upgrade program involved flight test missions on F-16 fighter aircraft — including more than 106 individual flights totaling 318 flight test hours — and employed unique mission profiles for data collection. Under the terms of our long-term support contract for the Air Armament Center, we were the primary authors of the flight test plan for the environmental test unit and development test and evaluation.

## AEROSPACE & DEFENSE

We expect our core U.S. Department of Defense (DoD) and NASA markets to remain strong in 2008. Bi-partisan support for NASA remains strong and we do not expect any near-term changes to the U.S. posture in Iraq to significantly impact our DoD markets.

As NASA's Constellation Program matures, our role as NASA's primary services support contractor places us in roles vital to the development of virtually every component of U.S. space exploration. Our services include systems engineering, research and development, design and analysis, testing and evaluation, space flight hardware development, information technology and logistics support services, as well as advanced facility operations and maintenance.

Our support of the U.S. military is equally comprehensive. We deliver high-level technical and engineering support services with a focus on acquisition and new systems testing. In addition, we maintain an emphasis on expanding our service offerings to the Ministries of Defence in Australia and the U.K. As a services-only contractor, our posture free from conflicts of interest continues to differentiate us in this market space.

*"Jacobs is fast, responsive, flexible, and focused on meeting client objectives. They provide excellent communications, technical services, resources, and proactive management support. They delivered to budgets on time to a high quality. Jacobs is the best design house."*

**Mark Lowry**, Project Manager, Devonport Royal Dockyard, United Kingdom



*"Throughout this year, I was engaged in safety justification for part of a major project. I valued the level of responsibility and enjoyed the freedom to make significant independent decisions. While I enjoy a project's technical challenges, I also welcome the chance to develop my skills in other areas. I appreciate the occasion to experience a variety of projects where I can benefit from development opportunities in a highly professional engineering environment."*

**Marianne W.**, Physicist, Glasgow, Scotland



[2]



Photo courtesy of the Defence Materiel Organisation.

[3]



[4]





(top row, standing from left to right)

- JOSEPH R. BRONSON**  
*Director (President and Chief Operating Officer of Sanmina-SCI Corporation)*

**EDWARD V. FRITZKY**  
*Director (Retired. Former Director of Amgen; Former President and Chairman of the Board of Immunex Corporation)*

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

**JOHN P. JUMPER**  
*Director (Retired. Former Chief of Staff, U.S. Air Force)*

**DALE R. LAURANCE**  
*Director (Retired. Former President of Occidental Petroleum Corporation)*

(bottom row, sitting from left to right)

- THOMAS M.T. NILES**  
*Director (Vice Chairman of United States Council for International Business, Former Ambassador to Canada)*

**LINDA FAYNE LEVINSON**  
*Director (Former Partner of GRP Partners)*

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

**ROBERT C. DAVIDSON, JR.**  
*Director (Retired. Former Chairman and Chief Executive Officer of Surface Protection Industries, Inc.)*
- (not pictured, see page 3)
- NOEL G. WATSON**  
*Chairman*

**CRAIG L. MARTIN**  
*President and CEO*

(top row left to right)

- PHILIP J. STASSI**  
*Group Vice President, Global Construction Services*

**CHRISTOPHER E. NAGEL**  
*Group Vice President, Asia-Pacific*

**PATRICIA H. SUMMERS**  
*Senior Vice President, Global Human Resources*

**ROBERT MATHA**  
*Group Vice President, Southern Europe*

**JAMES T. STEWART**  
*Group Vice President, Eastern Region*

**ROBERT G. NORFLEET**  
*Senior Vice President, Quality & Safety*

**ALLYN B. TAYLOR**  
*Group Vice President, U.K. & Ireland*

**ARLAN C. EMMERT**  
*Group Vice President, Northern Region*

**JOHN McLACHLAN**  
*Senior Vice President, Strategy & Acquisitions*

**ANDREW F. KREMER**  
*Senior Vice President, Global Sales*

(bottom row from left to right)

- NAZIM G. THAWERBHOY**  
*Senior Vice President & Controller*

**WILLIAM J. BIRKHOFFER**  
*Senior Vice President, Sales*

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

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

**KEVIN J. MCMAHON**  
*Group Vice President, North America Infrastructure*

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

**MICHAEL J. HIGGINS**  
*Group Vice President, U.K. Infrastructure*

**MARK S. WILLIAMS**  
*Group Vice President, Northern Europe*

**LAURENCE R. SADOFF**  
*Senior Vice President, Operations*

**EARL J. MITCHELL, JR.**  
*Group Vice President, Western Region*

**WALTER C. BARBER**  
*Group Vice President, Middle East*

**ROBERT M. CLEMENT**  
*Group Vice President, Jacobs Carter Burgess*



“Based on the ongoing level of preliminary work and Jacobs’ particular position in the market, we expect to see a further increase in new work bookings over the near-term followed by accelerated revenue growth. These gains should continue to support near-term earnings growth in excess of the company’s long-term growth target of 15% annually.”

JOHN B. ROGERS, *CFA, D.A. Davidson & Co.*  
*April 24, 2007*

“We consider Jacobs to be one of the Blue Chip names in the E&C space. We believe the company is one of the best operators in the business and should benefit from positive macro trends in multiple end markets over the next several years.”

RICHARD S. PAGET, *CFA, Morgan Joseph*  
*April 23, 2007*

“Jacobs’ relationship-based model focuses on developing long-term relationships with customers, different from any competitors that are more transactional and short-termed focused. With about 80% of the company’s business coming from long-term relationships, Jacobs likely will not be subject to the whims of higher risk projects in far away places with unknown customers. Moreover, by continuing to emphasize these relationships, Jacobs is able to minimize sales-related costs and generate very consistent sales growth.”

ANDY KAPLOWITZ, *Lehman Brothers*  
*January 24, 2007*

FORWARD-LOOKING STATEMENTS AND OTHER SAFE HARBOR APPLICATIONS

*Statements included in this 2007 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. Although such statements are based on management’s current estimates and expectations, and currently available competitive, financial and economic data, forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause the results of the Company to differ materially from what may be inferred from the forward-looking statements. When used in this 2007 Summary Annual Report, words such as “anticipate,” “estimate,” “expect,” “seek,” “intend,” “plan,” “believe,” and similar words are intended in part to identify forward-looking statements. Some of the factors that could cause or contribute to such differences are listed and discussed in Item 1A — Risk Factors of the Company’s most recent Annual Report on Form 10-K and include the following: increased competition for professional services; the Company’s ability to hire and retain qualified personnel; exposure to significant financial losses due to failure to maintain safe work sites; risks and uncertainty in connection with participation in joint ventures; cancellation, adjustment, or suspension of contracts in backlog; future funding and compliance with contracts with the U.S. federal government and other governments and their agencies; cost overruns on contracts; international operations, unfavorable political developments, natural disasters and weak foreign economies; timing and funding of new awards; rising inflation, interest rates and/or construction costs; risks and uncertainties of acquisitions; dilution of share ownership; outcome of pending and future claims and litigation; and anti-takeover provisions of Delaware law and the Company’s charter documents. The list set forth in Item 1A — Risk Factors of the Company’s most recent Annual Report on Form 10-K and the list set forth above are not all-inclusive, and the Company undertakes no obligation to release publicly any revisions or updates to any forward-looking statements that are contained in this 2007 Summary Annual Report. Readers of this 2007 Summary Annual Report are encouraged to read carefully the Company’s most recent Annual Report on Form 10-K (including discussions contained in Items 1 — Business, 1A — Risk Factors, 3 — Legal Proceedings, and 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations contained therein) and other documents the Company files from time to time with the United States Security and Exchange Commission for a further description of the Company’s Risk Factors.*

REPORT OF ERNST & YOUNG LLP, INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM, ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*The Board of Directors and Stockholders — 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, 2007 and 2006, and the related consolidated statements of earnings, changes in stockholders’ equity, and cash flows for each of the three years in the period ended September 30, 2007 (not presented separately herein); and in our report dated November 16, 2007, 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. We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Jacobs Engineering Group Inc.’s internal control over financial reporting as of September 30, 2007, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 16, 2007 expressed an unqualified opinion thereon.

Los Angeles, California  
November 16, 2007

*Ernst & Young LLP*

REPORT BY MANAGEMENT

The management of Jacobs Engineering Group Inc. has prepared the accompanying consolidated financial statements and other financial information included in this summary annual report and is responsible for their integrity and objectivity. Management maintains a system of internal controls over financial reporting which is designed to provide reasonable assurance that, among other things, transactions are properly authorized, executed, and recorded, and that the Company’s records and reports are reliable. Management’s Report on Internal Control over Financial Reporting appears under Item 9A in the Company’s 2007 Annual Report on Form 10-K filed with the Securities and Exchange Commission.



SELECTED FINANCIAL DATA

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

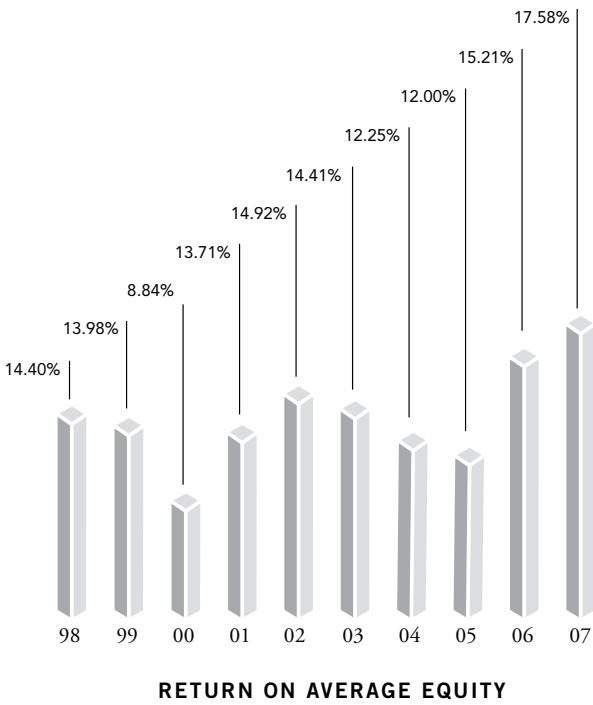
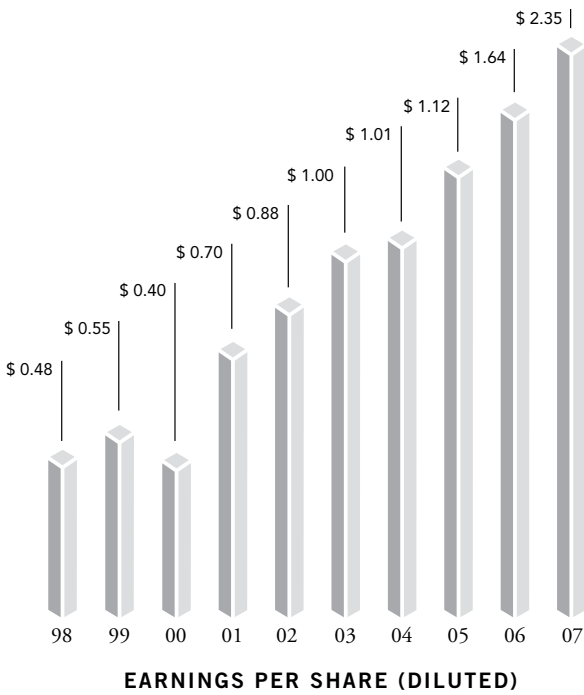
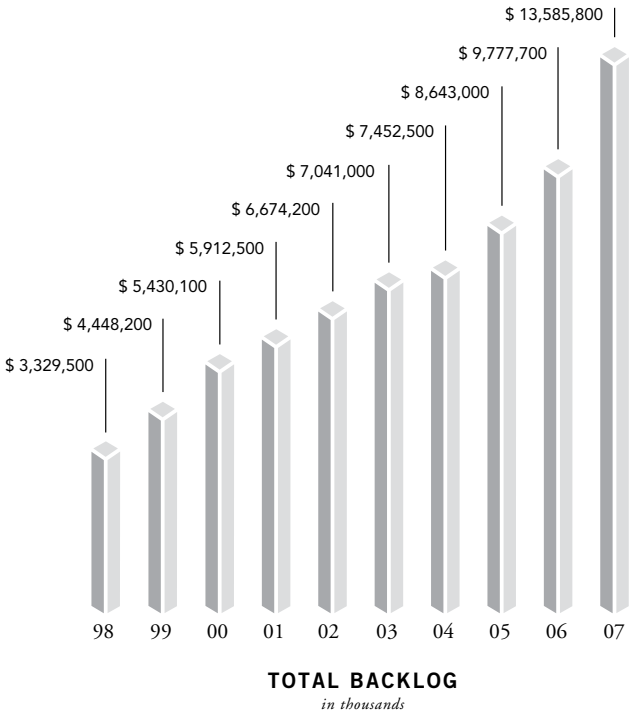
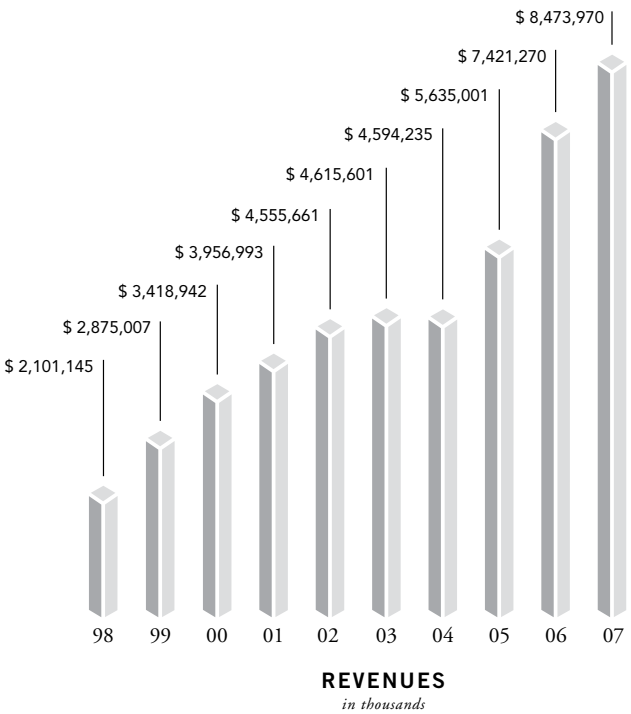
	2007	2006	2005	2004
Results of Operations:				
Revenues	\$ 8,473,970	\$ 7,421,270	\$ 5,635,001	\$ 4,594,235
Net earnings	287,130	196,883	131,608	115,574
Financial Position:				
Current ratio	1.78 to 1	1.75 to 1	1.70 to 1	1.58 to 1
Working capital	\$ 1,001,644	\$ 776,766	\$ 552,336	\$ 397,599
Current assets	2,278,078	1,817,961	1,337,431	1,083,513
Total assets	3,389,421	2,853,884	2,378,859	2,093,819
Long-term debt	40,450	77,673	89,632	78,758
Stockholders' equity	1,843,662	1,423,214	1,165,780	1,027,802
Return on average equity	17.58 %	15.21 %	12.00 %	12.25 %
Backlog:				
Technical professional services	\$ 6,188,500	\$ 5,153,400	\$ 4,329,000	\$ 3,989,000
Total	13,585,800	9,777,700	8,643,000	7,452,500
Per Share Information:				
Basic EPS	\$ 2.42	\$ 1.69	\$ 1.15	\$ 1.03
Diluted EPS	2.35	1.64	1.12	1.01
Stockholders' equity	15.08	11.82	9.93	8.95
Average Number of Shares of Common Stock and Common Stock Equivalents Outstanding (Diluted)	122,226	120,373	117,379	114,867

Per share information for all fiscal years prior to fiscal 2007 have been restated to reflect a two-for-one stock split effected in the form of a 100 percent stock dividend that was distributed to shareholders on March 15, 2007.

	2003	2002	2001	2000	1999	1998
	\$ 4,615,601	\$ 4,555,661	\$ 3,956,993	\$ 3,418,942	\$ 2,875,007	\$ 2,101,145
	112,645	97,475	75,876	42,355	57,976	50,418
	1.59 to 1	1.32 to 1	1.35 to 1	1.24 to 1	1.25 to 1	1.54 to 1
	\$ 358,683	\$ 234,486	\$ 245,500	\$ 167,160	\$ 144,638	\$ 197,659
	970,097	974,903	946,159	851,023	729,620	566,007
	1,688,096	1,688,093	1,568,111	1,392,929	1,226,114	810,731
	17,806	85,732	164,308	146,820	135,371	26,221
	859,669	703,722	602,872	504,096	454,645	374,647
	14.41 %	14.92 %	13.71 %	8.84 %	13.98 %	14.40 %
	\$ 3,383,200	\$ 3,045,600	\$ 2,490,100	\$ 2,217,200	\$ 1,628,100	\$ 1,004,500
	7,041,000	6,674,200	5,912,500	5,430,100	4,448,200	3,329,500
	1.02	\$ 0.90	\$ 0.71	\$ 0.40	\$ 0.56	\$ 0.49
	1.00	0.88	0.70	0.40	0.55	0.48
	7.62	6.35	5.53	4.76	4.29	3.59
	112,784	110,792	108,991	105,894	105,913	104,384

The financial statements for all fiscal years prior to fiscal 2006 have been adjusted to include the effects of adopting SFAS 123 (R) — Share-Based Payment using the modified retrospective application method of adoption.

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, 2007 and 2006 (in thousands, except share information)

	2007	2006
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 613,352	\$ 434,067
Receivables	1,532,602	1,304,262
Deferred income taxes	92,992	46,727
Prepaid expenses and other current assets	39,132	32,905
Total current assets	2,278,078	1,817,961
Property, Equipment and Improvements, Net	192,489	171,276
Other Noncurrent Assets:		
Goodwill	626,686	554,986
Miscellaneous	292,168	309,661
Total other noncurrent assets	918,854	864,647
	\$ 3,389,421	\$ 2,853,884
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Notes payable	\$ 529	\$ 14,474
Accounts payable	376,483	397,007
Accrued liabilities	626,091	495,700
Billings in excess of costs	245,486	112,260
Income taxes payable	27,845	21,754
Total current liabilities	1,276,434	1,041,195
Long-term Debt	40,450	77,673
Other Deferred Liabilities	228,824	304,531
Minority Interests	51	7,271
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—240,000,000 shares;		
issued and outstanding—120,221,871		
shares and 58,995,813 shares, respectively	120,222	58,996
Additional paid-in capital	460,468	417,905
Retained earnings	1,272,352	1,023,968
Accumulated other comprehensive loss	( 9,380 )	( 77,655 )
Total stockholders' equity	1,843,662	1,423,214
	\$ 3,389,421	\$ 2,853,884

CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

For the Years Ended September 30, 2007, 2006 and 2005 (in thousands, except per share information)

	2007	2006	2005
Revenues	\$ 8,473,970	\$ 7,421,270	\$ 5,635,001
Costs and Expenses:			
Direct costs of contracts	( 7,262,621 )	( 6,487,022 )	( 4,828,697 )
Selling, general and administrative expenses	( 769,393 )	( 632,692 )	( 591,413 )
Operating Profit	441,956	301,556	214,891
Other Income (Expense):			
Interest income	19,764	15,209	4,349
Interest expense	( 8,019 )	( 7,496 )	( 6,471 )
Miscellaneous expense, net	( 5,059 )	( 3,982 )	( 3,293 )
Total other income (expense), net	6,686	3,731	( 5,415 )
Earnings Before Taxes	448,642	305,287	209,476
Income Tax Expense	( 161,512 )	(108,404 )	( 77,868 )
Net Earnings	\$ 287,130	\$ 196,883	\$ 131,608
Net Earnings Per Share:			
Basic	\$ 2.42	\$ 1.69	\$ 1.15
Diluted	\$ 2.35	\$ 1.64	\$ 1.12

The financial statements for all fiscal years prior to fiscal 2006 have been adjusted to include the effects of adopting SFAS 123 (R) — Share-Based Payment using the modified retrospective application method of adoption.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2007, 2006 and 2005 (in thousands)

	2007	2006	2005
Cash Flows from Operating Activities:			
Net earnings	\$ 287,130	\$ 196,883	\$ 131,608
Depreciation and amortization	55,670	48,262	46,357
Stock based compensation	17,982	17,156	27,849
Other, net (primarily changes in the working capital and deferred income tax accounts)	79	( 38,770 )	( 55,519 )
Net cash provided by operating activities	360,861	223,531	150,295
Cash Flows from Investing Activities:			
Additions to property and equipment, net of disposals	( 63,130 )	( 52,678 )	( 42,548 )
Acquisitions of businesses, net of cash acquired	( 88,721 )	( 10,955 )	—
Other, net	( 13,945 )	( 3,935 )	( 25,782 )
Net cash used for investing activities	( 165,796 )	( 67,568 )	( 68,330 )
Cash Flows from Financing Activities:			
Net change in long-term borrowings	( 42,386 )	( 18,070 )	11,860
Net change in short-term borrowings	( 13,945 )	7,948	5,439
Proceeds from issuance of common stock	34,691	29,388	37,059
Other, net	1,345	29,053	6,338
Net cash provided by (used for) financing activities	( 20,295 )	48,319	60,696
Effect of Exchange Rate Changes	4,515	( 10,064 )	( 2,887 )
Increase in Cash and Cash Equivalents	179,285	194,218	139,774
Cash and Cash Equivalents at Beginning of Period	434,067	239,849	100,075
Cash and Cash Equivalents at End of Period	\$ 613,352	\$ 434,067	\$ 239,849
Other Cash Flow Information:			
Interest paid	\$ 5,420	\$ 5,852	\$ 5,216
Income taxes paid	\$ 171,600	\$ 86,600	\$ 71,500

The financial statements for all fiscal years prior to fiscal 2006 have been adjusted to include the effects of adopting SFAS 123 (R) — Share-Based Payment using the modified retrospective application method of adoption.



***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  
http://www.wellsfargo.com/shareownerservices

***Independent Registered Public Accounting Firm***

Ernst & Young, LLP  
Los Angeles, California

***Stockholder Contact***

A copy of our 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 top)  
City of New York, Manhattan Bridge, New York City, New York  
Design Team, Glasgow, Scotland  
Albian Sands Energy, Muskeg River Mine, Alberta, Canada  
Construction Manager, Reno, Nevada

***Market Profile***

(top left to right)  
Motiva Enterprises, Clean Fuels Program, Port Arthur, Texas  
City of New York, Manhattan Bridge, New York City, New York  
GlaxoSmithKline, Biopharmaceutical Expansion, Upper Merion, Pennsylvania  
Howard Hughes Medical Institute, Janelia Farm Research Campus, Ashburn, Virginia  
Confidential Client, Project, and Location  
Ford Motor Company, Driveability Test Facility, Allen Park, Michigan

(bottom left to right)  
Borealis, Polypropylene Plant, Burghausen, Germany  
Lawrence Livermore National Laboratory, National Ignition Facility, Livermore, California  
U.S. DOE, Fernald Closure Project, Ohio  
Canadian Natural Resources Ltd., Horizon Project, Ft. McMurray, Alberta, Canada  
NASA, CEV Testing in Unitary Plan Wind Tunnel, Moffett Field, California

***Inside Front Cover Flap***

(left to right)  
Howard Hughes Medical Institute, Janelia Farm Research Campus, Ashburn, Virginia  
Wind Shear Inc., Wind Tunnel for NASCAR Racing Community, Concord, North Carolina  
Sellafeld Ltd., Decommissioning and Major Projects, Sellafeld, U.K.

***Inside Back Cover***

(left to right)  
Confidential Client, Manufacturing Line Upgrade, Tennessee  
Argonne National Laboratory, Operations and Business Management Support, Argonne, Illinois  
ConocoPhillips, Low Sulfur Gasoline Project, Belle Chasse, Louisiana

***Back Cover***

(left to right)  
U.S. Air Force, H3 Arc Heater, Arnold Engineering Development Center, Tennessee  
Huntsman, Specialty Chemical Plant, Jurong Island, Singapore  
GlaxoSmithKline, Biopharmaceutical Expansion, Upper Merion, Pennsylvania





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