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 Branscum, Project Manager, ChevronPhillips Chemical, Saudi Arabia
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 Bracero, Project Manager,
ChevronPhillips Chemical, Saudi Arabia
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.

**MARKET PROFILE**

**ENVIRONMENTAL PROGRAMS**

- **Accelerated environmental cleanup**
- **Pluma services**
- **Phased and renewable**
- **Nuclear facilities decontamination and decommissioning**
- **Chemical and explosives demilitarization**
- **Environmental consulting, contaminated lands, and flood control**

**CHEMICALS & BASIC RESOURCES**

- **Organics/inorganics chemicals**
- **Olefins**
- **Polyolefins**
- **Specialty polymers**
- **Phosphates and potash**

**TECHNOLOGY**

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

**REFINING**

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

**INFRASTRUCTURE**

- **Roadways, bridges, and intelligent transportation systems**
- **Railroads and transit**
- **Water/wastewater conveyance and treatment**
- **Underground structures and tunnels**
- **Locks, dams, ports, and marine**
- **Aviation**

**APPLIED & ENTERPRISE TECHNOLOGIES**

- **Technical, engineering, and scientific innovation support**
- **Information technology and corporate information support**
- **Materials research and development**
- **Advanced manufacturing and development support**
- **Manufacturing systems and processes**

**AEROSPACE & DEFENSE**

- **Technical, engineering, and scientific innovation support**
- **Information technology and corporate information support**
- **Materials research and development**
- **Advanced manufacturing and development support**
- **Manufacturing systems and processes**
For Fiscal Years Ended September 30 (dollars in thousands, except per share information):

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

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®, 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 finding 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® 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 Lindner, 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.
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.

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. 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.
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

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

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.

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.

We completed engineering design, procurement, and construction assistance for a new 30,000 barrel per day grassroots hydrotreater unit at BP’s Whiting, Indiana, facility. Extra effort to assist vendors in resolving problems kept this $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.

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.

“We are supporting this activity through specialist consultancy and project services from our growing network of local offices.”

Soumi S., Chief Engineer, Mechanical Group, Mumbai, India
Hung-Pui (Johnny) H., Project Engineer, New York City, New York

“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.”

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

“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’ll have no hesitation to recommend Jacobs to others.”

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.

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.

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.

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.

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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.
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.

"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

"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 Valeria, General Medical Director, Institut Jules Bordet, Brussels, Belgium
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.

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.

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.

As 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

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 instal were part of that knowledge that led to a successful conclusion.”

Don Harrison, Project Manager, Boise, Washington

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.

“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.

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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.

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.

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.

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.

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.

“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

“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
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
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 fusion energy, nanoscale materials, high-powered lasers, and x-ray science.

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

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.”

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

“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
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
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.

“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

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

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.

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 15 million homes.

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 Athabasca 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.

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.

“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.”
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.

“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

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.

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.

“ 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
BOARD OF DIRECTORS

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

EDWARD V. FRITZEY
Director (Retired. Former Director of Angen, 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)

(top row, standing from left to right)

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(top row, sitting from left to right)

THOMAS M.T. NILES
Chairman, Trustee, United States Council for International Business, Former Ambassador to Canada)

LINDA FAYNE LEVINSON
Chairman, Former Director of GMP Patterns

ROBERT C. GWIN
Chairman, Former CEO and Chairman of the Board of Agricultural Minerals and Chemicals, Inc.

ROBERT C. DAVIDSON, JR.
Chairman, Former Chairman and Chief Executive Officer of Surface Protection Industries, Inc.

NOEL G. WATSON
Chairman

CRAG L. MARTIN
President and CEO

(bottom row, sitting from left to right)

PHILIP J. STAESS
Group Vice President, Global Construction Services

CHRISTOPHER E. NAGEL
Group Vice President, Asia-Pacific

PATRICIA A. SUMMERS
Group Vice President, Global Human Resources

ROBERT MATHA
Group Vice President, Southern Europe

JAMES T. STEWART
Group Vice President, Eastern Region

ROBERT G. NORFLEET
Group Vice President, Quality & Safety

ALLYN S. TAYLOR
Group Vice President, U.K. & Ireland

ARELIA EMMERT
Group Vice President, Northern Region

JHON McLACHLAN
Group Vice President, Quality & Acquisitions

ANDREW P. KREMER
Group Vice President, Global Sales

(bottom row, standing from left to right)

NAZIM G. THAKERSHOY
Group Vice President & Controller

WILLIAM J. BIRKHOFER
Group Vice President, Sales

WARREN M. DEAN
Group Vice President, Facilities

ROGERS F. STARR
Group Vice President, Jacobs Technology, Inc.

KEVIN J. MCMAHON
Group Vice President, North America Infrastructure

WILLIAM C. MARLEY, III
Group Vice President, General Counsel and Secretary

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

MARK S. WILLIAMS
Group Vice President, Southern Europe

LAURENCE R. SADOFF
Group 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-term 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

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

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):

<table>
<thead>
<tr>
<th>Year</th>
<th>Results of Operations</th>
<th>Financial Position</th>
<th>Per Share Information</th>
<th>Average Number of Shares of Common Stock and Common Stock Equivalents Outstanding (Diluted)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenues</td>
<td>$8,473,970</td>
<td>$7,421,270</td>
<td>$5,635,001</td>
</tr>
<tr>
<td>2007</td>
<td>Net earnings</td>
<td>287,130</td>
<td>196,883</td>
<td>131,608</td>
</tr>
<tr>
<td></td>
<td>Current ratio</td>
<td>1.78 to 1</td>
<td>1.75 to 1</td>
<td>1.70 to 1</td>
</tr>
<tr>
<td></td>
<td>Working capital</td>
<td>$3,001,644</td>
<td>$776,766</td>
<td>$552,346</td>
</tr>
<tr>
<td></td>
<td>Current assets</td>
<td>2,278,078</td>
<td>1,817,961</td>
<td>1,337,431</td>
</tr>
<tr>
<td></td>
<td>Total assets</td>
<td>3,389,421</td>
<td>2,853,884</td>
<td>2,278,859</td>
</tr>
<tr>
<td></td>
<td>Long-term debt</td>
<td>40,450</td>
<td>77,673</td>
<td>89,632</td>
</tr>
<tr>
<td></td>
<td>Stockholders’ equity</td>
<td>1,843,662</td>
<td>1,423,214</td>
<td>1,165,780</td>
</tr>
<tr>
<td></td>
<td>Return on average equity</td>
<td>17.58 %</td>
<td>15.21 %</td>
<td>12.00 %</td>
</tr>
<tr>
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<td>Backlog:</td>
<td></td>
<td></td>
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<tr>
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<td>Technical professional services</td>
<td>$6,188,500</td>
<td>$5,153,400</td>
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<td>Total</td>
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<td>Basic EPS</td>
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The financial statements for all fiscal years prior to fiscal 2006 have been adjusted to reflect the effects of adopting Statement of Financial Accounting Standards No. 123 (Revised 2004) — Share-Based Payment using the modified retrospective application method of adoption.

Net earnings for fiscal 2008 included an after-tax charge of $25.7 million, or $0.45 per diluted share, relating to the settlement of certain litigation.

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### Consolidated Balance Sheets

September 30, 2007 and 2006 (in thousands, except share information)

<table>
<thead>
<tr>
<th>Liabilities and Shareholders’ Equity</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$613,532</td>
<td>$434,067</td>
</tr>
<tr>
<td>Receivables</td>
<td>1,532,602</td>
<td>1,304,262</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>92,992</td>
<td>46,727</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>39,132</td>
<td>52,905</td>
</tr>
<tr>
<td>Total current assets</td>
<td>2,278,078</td>
<td>1,837,963</td>
</tr>
<tr>
<td>Property, Equipment and Improvements, Net</td>
<td>192,489</td>
<td>171,276</td>
</tr>
<tr>
<td>Other Noncurrent Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>626,086</td>
<td>554,986</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>292,168</td>
<td>309,663</td>
</tr>
<tr>
<td>Total other noncurrent assets</td>
<td>918,254</td>
<td>864,647</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(9,380)</td>
<td>3,389,421</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,943,662</td>
<td>1,276,434</td>
</tr>
<tr>
<td>Total Stockholders’ Equity</td>
<td>$3,389,421</td>
<td>$2,853,884</td>
</tr>
</tbody>
</table>

### Condensed Consolidated Statements of Cash Flows

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

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities:</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings</td>
<td>$287,130</td>
<td>$196,883</td>
<td>$131,608</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>55,670</td>
<td>48,262</td>
<td>46,357</td>
</tr>
<tr>
<td>Stock based compensation</td>
<td>17,982</td>
<td>17,156</td>
<td>27,849</td>
</tr>
<tr>
<td>Other, net (primarily changes in the working capital and deferred income tax accounts)</td>
<td>(2,887)</td>
<td>(3,293)</td>
<td>(5,413)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>360,861</td>
<td>223,531</td>
<td>150,295</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities:</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions to property and equipment, net of disposals</td>
<td>(63,130)</td>
<td>(32,678)</td>
<td>(42,548)</td>
</tr>
<tr>
<td>Acquisitions of businesses, net of cash acquired</td>
<td>(88,721)</td>
<td>(10,955)</td>
<td>—</td>
</tr>
<tr>
<td>Other, net (primarily changes in the working capital and deferred income tax accounts)</td>
<td>(13,945)</td>
<td>(3,953)</td>
<td>(25,782)</td>
</tr>
<tr>
<td>Net cash used for investing activities</td>
<td>(157,796)</td>
<td>(67,568)</td>
<td>(68,330)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net change in long-term borrowings</td>
<td>(42,866)</td>
<td>(18,070)</td>
<td>11,860</td>
</tr>
<tr>
<td>Net change in short-term borrowings</td>
<td>(13,945)</td>
<td>7,948</td>
<td>5,439</td>
</tr>
<tr>
<td>Proceeds from issuance of common stock</td>
<td>36,691</td>
<td>29,388</td>
<td>37,059</td>
</tr>
<tr>
<td>Other, net</td>
<td>1,345</td>
<td>29,053</td>
<td>6,338</td>
</tr>
<tr>
<td>Net cash provided by (used for) financing activities</td>
<td>(20,295)</td>
<td>48,319</td>
<td>60,696</td>
</tr>
<tr>
<td>Effect of Exchange Rate Changes</td>
<td>4,515</td>
<td>(10,664)</td>
<td>(2,887)</td>
</tr>
<tr>
<td>Increase in Cash and Cash Equivalents</td>
<td>179,285</td>
<td>194,218</td>
<td>139,774</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at Beginning of Period</td>
<td>434,067</td>
<td>287,130</td>
<td>196,883</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at End of Period</td>
<td>$613,352</td>
<td>$434,067</td>
<td>$239,849</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Cash Flow Information:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>$5,420</td>
<td>$5,852</td>
<td>$5,216</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>$171,600</td>
<td>$86,600</td>
<td>$71,500</td>
</tr>
</tbody>
</table>

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.
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
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. Perisse, 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)
Metro Entertainment, 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, Drivability Test Facility, Allen Park, Michigan

(fbottom left to right)
Borealis, Polypropylene Plant, Buehnen, Germany
Lumason, Luminescence National Laboratory, National Ignition Facility, Livermore, California
U.S. DOE, Fermal Charme 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
Sellafield Ltd., Decommissioning and Major Projects, Sellafield, 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
Safety has been a constant focus by the Jacobs project team and remains a number 1 priority. Their safety program contributed greatly to the project's success. The 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

2007

SUMMARY ANNUAL REPORT

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