



Granite Provides Update on US 20 Project in Oregon

WATSONVILLE, Calif.--(BUSINESS WIRE)-- Granite Construction Incorporated (NYSE:GVA) announced today that the company's joint venture, Yaquina River Contractors ("YRC"), received a Notice of Default ("Notice") from the Oregon Department of Transportation ("ODOT") relating to the US 20 project. Granite is confident it is not in default of its obligations under the contract and that the allegations contained in the Notice are without merit. The company will contest the Notice.

Granite has been in discussions with ODOT to address design issues and delays on the project due to unanticipated and continuing geotechnical conditions and landslide movement. Granite has been performing its duties under the contract including working with ODOT to determine how to safely and most cost-effectively complete the project. ODOT was fully aware of Granite's ongoing efforts and the company was surprised by ODOT's filing of the Notice.

In October 2011, a Dispute Review Board ("DRB") concluded that ODOT is responsible to pay YRC for the costs of the delay and new design and construction work required to address the ongoing landslide issues. ODOT rejected the DRB's findings and unilaterally disbanded the board.

The DRB comprises a panel of construction industry experts with experience in assessing disputes of this nature. Both parties agreed in the contract to place a large measure of importance on the DRB recommendations.

"Granite Construction Company has never defaulted on a project in the history of the company. We take this Notice very seriously and intend to vigorously defend our position and reputation in this matter," said James H. Roberts, Granite president and CEO. He continued, "Despite serious and unanticipated project difficulties, Granite remains committed to satisfying its contractual requirements on the US 20 project."

About Granite

Granite is one of the nation's leading infrastructure contractors and is member of the S&P 400 Midcap Index, the FTSE KLD 400 Social Index and the Russell 2000 Index. Through its wholly owned subsidiary, Granite is one of the nation's largest diversified heavy civil contractors and construction materials producers serving public- and private-sector clients nationwide. In addition, Granite has one of the oldest and most robust ethics and compliance programs in the industry. In 2011, the Company was recognized by the Ethisphere Institute as one of the World's Most Ethical Companies for the third year in a row. For more information, please visit graniteconstruction.com.

Granite Construction Incorporated
Jacque Fourchy, 831-761-4741

Source: Granite Construction Incorporated

News Provided by Acquire Media