Granite Receives Full Notice to Proceed for Houston Light Rail Project

WATSONVILLE, Calif.--(BUSINESS WIRE)-- Granite Construction Incorporated (NYSE:GVA) announced today that in conjunction with the execution of the Full Funding Grant Agreement, the Houston Rapid Transit Joint Venture team ("HRT"), has received full notice to proceed ("NTP") on the $1.2 billion contract from the Metropolitan Transit Authority of Harris County for expansion of the existing light rail transit system in Houston, Texas. HRT was awarded the design/build contract in 2009. The company will book its 34 percent share of the additional NTP, or approximately $242 million, into backlog in the fourth quarter of 2011.

Led by Parsons Transportation Group, Inc., HRT includes Granite Construction Company, Kiewit Texas Construction L.P. and Stacy and Witbeck, Inc. The team is responsible for expanding the existing light rail transit system in three new corridors in downtown Houston totaling an additional 15 miles of light rail transit. Scope of the work includes 24 stations, storage and inspection facilities and a major renovation to the existing Rail Operations Center. Construction began with issuance of the original NTP in July of 2010 and the project is scheduled to be completed in 2014.

For more information on the project, please visit the METRO website at www.ridemetro.org.

About Granite

Granite Construction Incorporated is a member of the S&P 400 Midcap Index, the FTSE KLD 400 Social Index and the Russell 2000 Index. Granite Construction Company, a wholly owned subsidiary, is one of the nation's largest diversified heavy civil contractors and construction materials producers. Granite Construction Company serves public- and private-sector clients through its offices and subsidiaries nationwide. In 2011, the Company was named one of the World's Most Ethical Companies. For more information about Granite, please visit its website at *graniteconstruction.com*.

Granite Construction Incorporated
Jacque Fourchy, 831-761-4741

Source: Granite Construction Incorporated

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