



Granite Announces Settlement Related to Hiawatha Corridor Light Rail Project

WATSONVILLE, Calif.--(BUSINESS WIRE)-- A Granite-led joint-venture team, Minnesota Transit Constructors (MnTC), reached a settlement agreement with the United States Department of Justice (DOJ) and the Minnesota District Attorney's Office related to a false claims investigation initiated by the DOJ in 2006. The investigation was based on allegations that MnTC had failed to comply with federal Disadvantaged Business Enterprise (DBE) regulations on the Hiawatha Corridor Light Rail Project. The settlement agreement expressly states that Granite and its joint-venture partners deny the allegations and the claims asserted by the Minnesota Department of Transportation (MnDOT) and the DOJ and admit no fault or liability as part of the agreement.

"We are proud of the work we performed to construct one of the nation's premier public transportation projects," said James H. Roberts, Granite's president and chief executive officer. "The project was a success in part because of our team's good-faith efforts and commitment to solicit and encourage DBE participation on the project.

"The claims asserted by MnDOT and the DOJ over the course of this five-year investigation are disappointing and any inferences that we made misrepresentations in connection with this project are incorrect," Roberts added. "We disagree with the allegations; however, we felt it was in our best interest to settle the issue and avoid the expense and the distraction of litigation. While some settlements are accompanied by an admission of wrongdoing, notably, this one was not.

"We continue our commitment to the success of DBE businesses across the country and devote significant resources to ensure that DBE businesses have the greatest chance of success on our projects," continued Roberts. He concluded by noting, "MnTC received the National Association of Minority Contractors' Special Recognition Award for its DBE efforts in addition to an award by the Met Council, the regional agency that helped manage the project, for MnTC's DBE project program."

Granite's portion of the settlement is approximately \$1.1 million and had been reserved in prior periods. Per the terms of the agreement, there are no limitations on Granite or its joint-venture partners regarding future contracts with the federal government or the Minnesota Department of Transportation.

About Minnesota Transit Constructors

The MnTC joint-venture team was the design/build contractor on the 12-mile Hiawatha Corridor Light Rail Project for the Minnesota Department of Transportation. Led by Granite Construction Company, the joint venture comprised Granite's construction partner C.S. McCrossan, Inc. and a joint venture of Parsons Transportation Group and Edwards and Kelcey.

About Granite

Granite Construction Incorporated (NYSE:GVA) is a 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. The company was recently recognized by the Ethisphere Institute as one of the World's Most Ethical Companies for the second year in a row. For more information about Granite, please visit graniteconstruction.com.

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