

May 3, 2012

Granite Resolves Issues Related to US 20 Project in Oregon

WATSONVILLE, Calif.--(BUSINESS WIRE)-- Granite Construction Incorporated (NYSE:GVA) announced today that the company's joint venture, Yaquina River Constructors ("YRC"), and the Oregon Department of Transportation ("ODOT") have resolved their claims in a settlement that includes a mutually agreed termination of the ODOT-YRC design-build contract on the US 20 Pioneer Mountain to Eddyville project.

"We are pleased to have reached a resolution to what has been an extremely challenging project for all parties involved," said James H. Roberts, Granite president and CEO. "While we were confident in our position regarding the disputes with ODOT, we believed it to be in the best interest of the company and its stakeholders to resolve this matter and avoid the cost and distraction of protracted litigation."

The agreement between ODOT and YRC ends YRC's contractual obligation to complete the project. Termination of the contract is by mutual agreement and not a termination for default.

The terms of the settlement also include that ODOT will waive claims it has against YRC, release to YRC approximately \$4.3 million in retention monies and rescind the Notice of Default it sent to YRC in March 2012. Also, YRC will waive claims it has against ODOT and pay \$15 million to ODOT. Granite confirms that the settlement will not have a material impact on the company's financial position or operations.

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, the company is one of the nation's largest diversified heavy civil contractors and construction materials producers serving public- and private-sector clients nationwide.

Granite has one of the oldest and most robust ethics and compliance programs in the industry. The company has won numerous awards including being named as one of the world's most ethical companies by *Ethisphere* for three straight years. Last month, Granite received the Alliant Build America Award from the Associated General Contractors of America, which deemed a Granite-led project in Maryland as one of the nation's most impressive of 2011.

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Source: Granite Construction Incorporated

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