



Consistently profitable.

Steady, respectable growth.

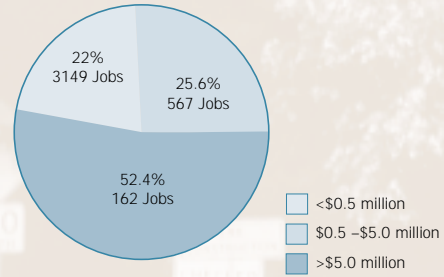
Impeccable reputation.

For decades.

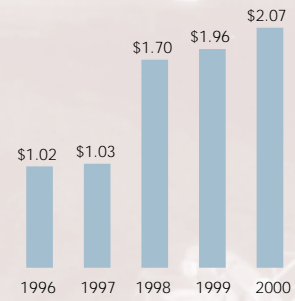
In the heavy construction industry?

How could that be?

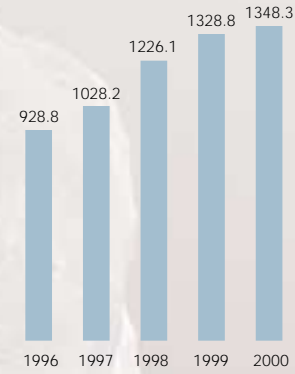




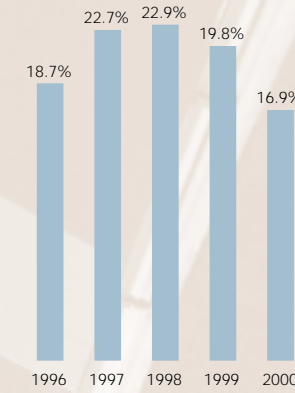
DIVERSITY OF CONTRACT VALUE
AS A PERCENTAGE OF REVENUE



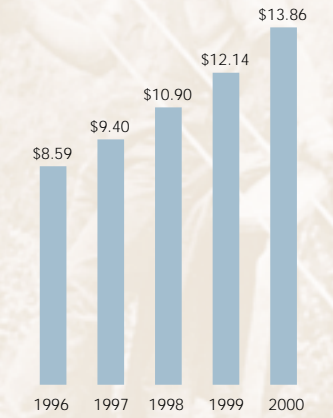
EARNINGS PER SHARE



REVENUE
(\$ millions)



LONG TERM DEBT-TO-EQUITY RATIO



BOOK VALUE PER SHARE

DIVERSITY

SYNERGISTIC INTEGRATION

PRUDENT GROWTH

CREATIVITY

INTEGRITY

In an industry where big companies typically specialize in specific types of work and only on big projects, Granite stands alone.

Uncommonly, we are a big company that builds a wide range of project types.

Uniquely, we take on small jobs as well as massive ones.

Availability of quality materials at stable prices, in markets where we produce our own materials, is a linchpin locking-in sustainable margins while supporting our capacity to compete aggressively as a low-cost producer as well as the high-quality provider.

Our measured approach to risk serves us well in an industry that demands great adeptness for risk management. It's invoked daily. And it forms the platform for our highly disciplined approach to growth.

We're creating exciting new opportunities by leveraging our financial strength to originate innovative project financing that enables us to be a sole source provider of construction services while earning a superior return on our investment.

By adhering to core values cast in place nearly 80 years ago, we strive to make Granite the most valued company in our industry for our employees, our shareholders and the communities in which we work.

HOW COULD THAT BE?

We run the business much like
a high-performing, value-oriented
mutual fund is managed.



Monterey Branch converted Pebble Beach's Peter Hay course to serve as the site for the visitor's village at the 2000 U.S. Open.

Busy Highway 17 between Santa Clara Valley ("Silicon Valley") and the Pacific coast was resurfaced by the Monterey Branch in 2000 for the State of California, one of the branch's many clients.

DIVERSITY

A legion of local companies

Our hallmark little-job/big-job capability is the very essence of our success and steadfastness. ★
For instance, our Branch Division—which builds all of our smaller jobs—nevertheless accounts for the bulk of our revenue. For 2000: 75%. ★ Our Branch operations enjoy the great advantage of spreading risks and rewards across a diverse range of project types and sizes, from driveways to highways. ★ During the year, our eleven Branches worked on an impressive 3,500+ projects. That's thousands more jobs than you might expect from a major heavy civil constructor such as Granite. ★ Much of that production is "turn work" that never makes it to our year-end backlog because the projects are begun and completed in the same year. ★ Each Branch is an integral part of its local market and is typically viewed as a local enterprise. Each nurtures long-term relationships in its community by earning a reputation for reliability, quality work, fairness and community involvement.

Our California Branches are performing work at new and existing electrical power plants throughout the energy-compromised state.



Our Arizona Branch is remediating the course of a spring-fed stream as it flows through a large copper mining operation. The EPA-mandated project involves a mile of 30-foot-wide, 10-foot-high concrete channels to preserve downstream water quality.





DIVERSITY

Our decentralized, multi-faceted approach to markets enables us to capture more profitable opportunities by blanketing select local markets with services while simultaneously reaching out with equal efficiency to participate in huge projects wherever they may be across the country.

Nationally dispersed heavy construction teams

DIVERSITY



HCD's new office in Austin, Texas had two large projects underway by the end of 2000, including road and bridge work on Interstate 35.

Minneapolis' Hiawatha Light Rail system, a design-build project awarded in 2000 to HCD and its partners, will run more than 11 miles from downtown to the airport and Mall of America. Seen here is one of the proposed stations [inset] and its downtown location.



HCD is enjoying great success in Florida. Replacing bridges on Interstate 4 near Tampa [above] is one of numerous large projects in various stages of completion throughout the state.



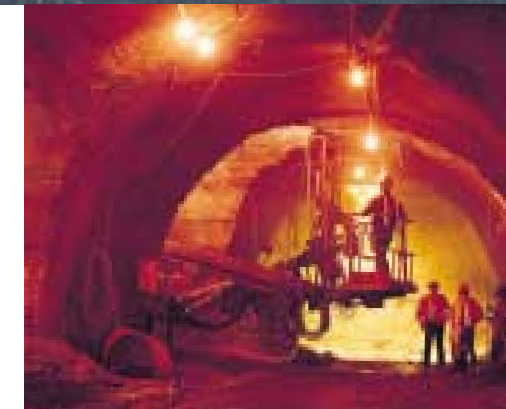
DIVERSITY

Attacking a broad range of project types in a wide array of market segments



Mass transportation systems: we built a new runway and series of taxiways at Dallas-Fort Worth Airport and, during 2000, we completed portions of Salt Lake City's new light rail system [overlay, far right].

As with the blending of job sizes, our involvement in numerous market segments—where we build a host of project types—contributes mightily to our consistent ability to stabilize overall margins to a degree uncommon in the industry. ★ In fact, we can be found at work doing almost everything that begins with moving earth. ★ We build and restore roadways for cities, states, and the federal government as well as for developers, industry, landowners, and homeowners. ★ For developers of residential or industrial or retail properties, we prepare land for improvements and create all of the underlying infrastructure. ★ For airport districts, we build runways and taxiways and roadways and parking lots. ★ We remediate environmentally damaged lands. ★ We construct light rail systems for local agencies, and we build and restore heavy railroads for utilities and industry as well as for leading railroads themselves. ★ We construct dams. Bridges. Canals. Tunnels. ★ In emergencies, we respond with force and speed to restore damaged infrastructure. ★ We help build big resorts and golf courses. ★ We even pave residential driveways.



Municipal projects: we built a massive storm drainage and water retention system for the City of Dallas.

Private and public roadways: during 2000 we finished creating the privately-owned, 22-mile Camino Colombia Toll Road [seen here as it crosses over Interstate 35 near Laredo, Texas] which connects the Interstate with the Mexican border, expediting shipment of NAFTA-related goods. Farther north in Texas, we are also working on Interstate 35 improvements.

Site development: we began in 2001 to develop this site for a new housing development in Lubbock, Texas, while work continues [overlay, inset photo] for the third year near Park City, Utah on infrastructure for the huge, upscale Deer Crest ski resort community.





Our operations, both Branch and HCD, now span a variety of regional economies and climates. It wasn't always that way. ★ Originally, our Branch Division operations were captive to the California economy and weather. Now with branches also dispersed over the high-growth markets of Arizona, Nevada and Utah, the division's revenue flow is smoothed out by the counter-balancing effects of the diverse economies and distinct climates. ★ Capturing opportunities in diverse

economies and climates nationwide is, of course, inherent in HCD's charter. But that division is also concentrating its resources on regions where long-term prospects appear robust, thereby encouraging establishment of beachheads. Texas and Florida are good examples. In fact, in Texas HCD created its first regional office in 1998 and, during 2000, set down its first Branch-like operation by acquiring a small local company.

Casting our lot into a blend of regional economies

DIVERSITY



Utah (Branch): We are restoring for Union Pacific Railroad sections of the historic causeway that runs down the center of the full length of the Great Salt Lake.



North Carolina (HCD)



Nevada (Branch)



Arizona (Branch)



Texas (HCD)



Alaska (Wilder)



California (HCD)



Florida (HCD)



Washington (Wilder)

SYNERGISTIC INTEGRATION

Sand.
Rock products.
Crushed stone.
Asphalt. Concrete.
Without such materials, our industry would grind to a halt. Producing our own—as well as selling to others—has been integral to Branch Division strategy since the founding of the company nearly 80 years ago.





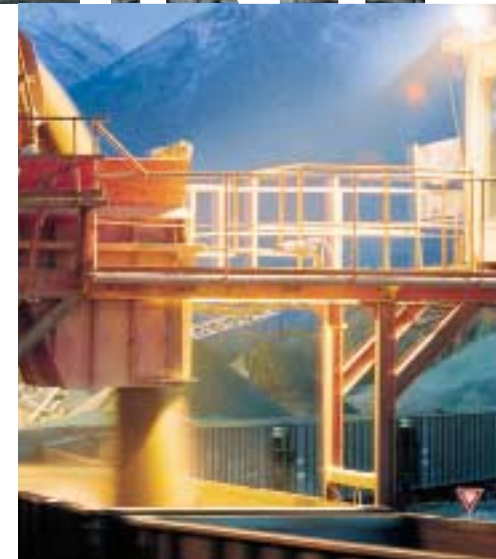
SYNERGISTIC INTEGRATION

Mining and manufacturing much of our own materials



We operate our own materials testing laboratories at many of our Branch locations [such as here in our Southern California Branch] to assure ourselves and our customers of consistent standards and quality.

Mining and manufacturing our own materials wherever possible is all about control—control over getting the right materials of the right quality at the right time and at the right price. ★ By controlling those underlying elements, we enhance our abilities to control jobsite productivity and customer satisfaction, as well as to help assure quality workmanship, to sharpen our competitiveness, and to sustain solid, predictable materials margins. ★ We strive to maintain 30-year mining reserves at our Branch operations. At the close of 2000 we had 100 active plants producing aggregate materials, concrete and asphalt.



In Alaska, our partially-owned affiliate, Washington-based Wilder Construction, annually ships some two million tons of aggregate materials from mines in Palmer [at left] to its Anchorage facility [above, 50 miles away] on typically twice-daily, 80-car trains.

We are a pioneer in manufacturing and applying rubberized asphalt, a superior surfacing material employing a process that recycles finely ground-up automotive tires.





PRUDENT

Growing at a manageable and sustainable pace



One of our many large projects under way in high-growth Florida is Orlando's Western Beltway where we are building a multiple-bridge interchange between it and the Florida Turnpike [foreground, larger photo]. The interchange will be Florida's largest.

Many factors favoring our growth plans are gaining momentum. ★ The great outpouring of funds for large, publicly-financed infrastructure programs that began to flow during 2000. ★ The manner in which those and many other projects will be built: the design-build, lump-sum-contract era is rapidly unfurling. It promises far better results for customers and higher rewards for us than the old here's-the-design, low-bidder-wins system. ★ And all of the efforts we've expended to position ourselves in the paths of growth are starting to pay off. HCD's newly energized regional structure that focuses on high-growth states, particularly outside the West Coast, is winning big contracts. Our Branch Division, busier than ever, is extending its reach into Washington, Oregon and Alaska.



A core criterion for geographic expansion or acquisition of Branch-type operations is the existence of mining resources. The stockpile in this photo is in Seward, Alaska.



Our acquisition in 2000 of a local, well-positioned company in Lubbock, Texas establishes a busy, Branch-like operation for HCD in that area of the high-growth state.

PRUDENT GROWTH

We will profit three ways at Water's Ridge, a large distribution center we and our partners developed near Dallas. We profited from flood plain reclamation and site preparation work on land we purchased, and from the sale of excess acreage. And we will profit from the sale of the improved property—three huge warehouses (one seen here).



Uncommon approaches to business development

CREATIVITY

Our objective is to grow at a relatively robust rate which allows absorption of our culture and business fundamentals. In the process, we intend to make the company an even more attractive place for highly qualified people to work.



Work began on these twin bridges [in rendering] over the St. Johns River in Florida during 2000 under a design-build contract.

The nation's aged infrastructure is in desperate need of repair. Record level public expenditures are beginning to help, but it's not enough. Innovative financing and procurement methods are needed to supplement and speed up this monumental effort. ★ Today, 20 states across the country are looking at public/private partnerships to accelerate their transportation building programs. Our Las Vegas Monorail and Minneapolis Hiawatha Light Rail projects are excellent examples of this concept. Granite is a leader in this area, having participated in many of the early public/private partnerships formed to date. We are currently pursuing projects of this type with a value exceeding \$6 billion.

Near Salt Lake City we are recycling and preparing this spent quarry for use as a housing development.



Work began during 2000 on extension of the Las Vegas monorail system by our design-build, private/public team. Our financial partners are local businesses and the City of Las Vegas.



CREATIVITY

Our strong balance sheet and openness to creative approaches to business opportunities has cleared the way for creation of a variety of unusual alliances. We have, for instance, found unique ways to profitably convert fallow land to productive use. And we are at the forefront of an exciting trend toward public/private partnerships to build large public sector transportation projects.

Reno Branch Employee Development Leader Dave Funk (sitting, left photo, wearing brown hard hat in others) helps perpetuate Granite's culture as he brings along young engineers (such as Ben Kampf, seen here) by sharing professional knowledge and best-practice procedures as part of our company-wide Employee Development Initiative. Dave first came to work for Granite, as a laborer, in 1973. Ben joined the company in 1998 as a newly-graduated civil engineer.

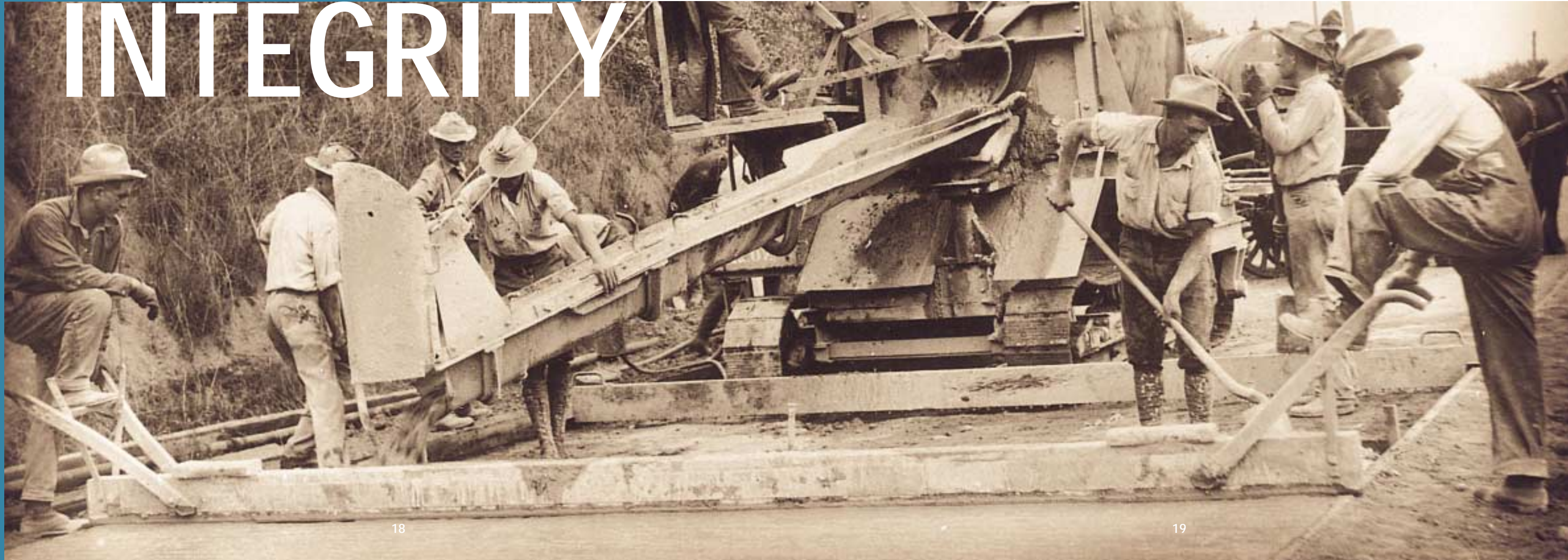


Construction is a service business, which means it's a people business. And the cornerstone of a successful people business is an organization's culture. ★ How we treat each other, how we treat our customers and how we interact with all of our stakeholders stems from a culture steeped in integrity and driven by a set of core values that guides our actions. And being part owners of the company adds impetus to every decision we make. ★ When it comes right down to it, integrity is the single biggest asset we have to offer our customers.



We have always cared about how we're thought of

INTEGRITY



The values adhered to by these early Granite employees are still in place, and the company still strives to maintain its family-like culture.



INTEGRITY

People change,
technologies change,
but the one constant that
remains threaded
through the fabric of our
organization nearly 80 years
after its inception
is our culture and
impeccable reputation.
Generation after generation
we have preserved
this reputation by adhering
to our core values.

FINANCIAL HIGHLIGHTS

(In Thousands, Except Per Share Data)

Years Ended December 31,	2000	1999	Percent Change
Operations			
Revenue	\$ 1,348,325	\$ 1,328,774	1.5
Gross Profit	\$ 190,618	\$ 179,201	6.4
As a percent of revenue	14.1	13.5	-
Net Income	\$ 55,815	\$ 52,916	5.5
As a percent of revenue	4.1	4.0	-
As a percent of assets	7.8	7.8	-
Depreciation, depletion and amortization	\$ 44,624	\$ 42,363	5.3
Additions to property and equipment	\$ 52,454	\$ 83,735	(37.4)
Cash provided by operations	\$ 74,846	\$ 99,987	(25.1)
Financial Position			
Total assets	\$ 711,142	\$ 679,572	4.6
Working capital	\$ 180,051	\$ 143,657	25.3
Current ratio	1.78	1.56	14.1
Property and equipment	\$ 249,077	\$ 242,913	2.5
Long-term debt	\$ 63,891	\$ 64,853	(1.5)
Stockholders' equity	\$ 377,764	\$ 327,732	15.3
Backlog	\$ 1,120,481	\$ 793,256	41.3
Net income per diluted share	\$ 2.07	\$ 1.96	5.6
Dividends per common share	\$ 0.43	\$ 0.40	7.5
Book value per common share	\$ 13.86	\$ 12.14	14.2

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of Granite Construction Incorporated:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheets of Granite Construction Incorporated and its subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2000 (not presented herein); and in our report dated February 16, 2001, except for Note 16, as to which the date is February 23, 2001, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying consolidated balance sheets and consolidated statements of income are fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
February 16, 2001

GRANITE CONSTRUCTION INCORPORATED

CONSOLIDATED STATEMENTS OF INCOME

(In Thousands, Except Per Share Data)

Years Ended December 31,	2000	1999	1998
Revenue			
Construction	\$1,188,430	\$1,169,755	\$1,084,433
Material sales	159,895	159,019	141,667
Total revenue	1,348,325	1,328,774	1,226,100
Cost of revenue			
Construction	1,020,317	1,015,041	955,213
Material sales	137,390	134,532	117,795
Total cost of revenue	1,157,707	1,149,573	1,073,008
Gross profit	190,618	179,201	153,092
General and administrative expenses	105,043	94,939	83,834
Operating income	85,575	84,262	69,258
Other income (expense)			
Interest income	11,646	8,682	9,856
Interest expense	(8,954)	(8,791)	(9,551)
Gain on sales of property and equipment	2,584	4,544	1,819
Other, net	2,019	(2,654)	3,629
	7,295	1,781	5,753
Income before provision for income taxes	92,870	86,043	75,011
Provision for income taxes	37,055	33,127	28,504
Net income	\$ 55,815	\$ 52,916	\$ 46,507
Net income per share			
Basic	2.12	2.03	1.75
Diluted	2.07	1.96	1.70
Weighted average shares of common and common stock equivalents outstanding			
Basic	26,389	26,058	26,559
Diluted	26,939	26,963	27,339
Dividends per share	0.43	0.40	0.30

Refer to the Granite 2000 Annual Report on Form 10-K for a complete set of consolidated financial statements and their accompanying notes that are an integral part of the above financial statements.

CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Share and Per Share Data)

December 31	2000	1999
Assets		
Current assets		
Cash and cash equivalents	\$ 57,759	\$ 61,832
Short-term investments	42,972	46,245
Accounts receivable	221,374	211,609
Costs and estimated earnings in excess of billings	19,473	14,105
Inventories	16,747	12,823
Deferred income taxes	15,857	14,885
Equity in construction joint ventures	25,151	30,611
Other current assets	12,295	10,211
Total current assets	411,628	402,321
Property and equipment	249,077	242,913
Investments in affiliates	40,052	23,139
Other assets	10,385	11,199
	\$ 711,142	\$ 679,572
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	\$ 1,130	\$ 5,985
Accounts payable	90,111	95,662
Billings in excess of costs and estimated earnings	57,412	66,342
Accrued expenses and other current liabilities	82,924	90,675
Total current liabilities	231,577	258,664
Long-term debt	63,891	64,853
Other long-term liabilities	6,370	-
Deferred income taxes	31,540	28,323
Commitments and contingencies		
Stockholders' equity		
Preferred stock, \$0.01 par value, authorized 3,000,000 shares; none outstanding	-	-
Common stock, \$0.01 par value, authorized 100,000,000 shares; issued and outstanding 27,254,605 shares in 2000 and 26,995,506 in 1999	272	270
Additional paid-in capital	56,518	49,817
Retained earnings	330,172	285,832
	386,962	335,919
Unearned compensation	(9,198)	(8,187)
	377,764	327,732
	\$ 711,142	\$ 679,572

Refer to the Granite 2000 Annual Report on Form 10-K for a complete set of consolidated financial statements and their accompanying notes that are an integral part of the above financial statements.

To Our Stockholders:

We climbed another rung on the growth ladder of your company in 2000. Progress was achieved on a number of fronts both financial and operational as we built-up strength in our core competencies.

From a financial perspective, I am pleased with our year. While growth of our top line was modest at 1.5%, we measure ourselves with dominant focus on gross margin, operating income and net earnings. Gross margin improved year over year by 6.4%, a reflection of market conditions and how well our estimating and project management teams are performing. Operating income grew at only 1.6% because we experienced an increase in overhead of 10.6%. This increase was the result of the additions of people to our bench strength in meeting expanded market opportunities, a one-time incentive compensation increase due to certain restricted stock being vested at an accelerated rate, and normal growth in costs. We expect overhead growth in future years to be at more normal levels of between 4% and 6%. Our net income increased 5.5% over 1999.

Perhaps the highlight of the year was the record level of new awards for major projects by the Heavy Construction Division. After a dry spell going back to 1999 of 8 months, the logjam broke loose in June of 2000. By year-end, HCD awards had totaled \$651.5 million, helping push total company backlog to a record level of \$1.2 billion. Subsequent to year-end, during the first two months of 2001, additional awards of over \$350 million have been booked.

As an essential element of our core strategies, Granite has a disciplined bidding process. Bids are built-up from a highly detailed estimate of the job's finite elements of work, sometimes numbering thousands of individual tasks. Contingencies are added for particular risks which may be encountered for that job and a margin placed on all costs to yield an appropriate return. Sticking to this disciplined bid philosophy is strategically important to our long-term success.

I am extremely pleased to report on our operational progress. One of the fundamental imperatives to our strategic planning is the development of our people. We took a most extraordinary step by embarking on our Employee Development Initiative.



David H. Watts

Far more than an enhanced employee training program, this initiative is aimed squarely at a thorough, but tailored development of our employees to provide the best opportunity for them to achieve their highest potential—as employees, as leaders, as entrepreneurs. We believe most of the leadership models and knowledge needed for the Initiative resides within the company. The Initiative will develop collaborative learning communities for sharing best practices and know-how. To give this initiative the best possible chance of succeeding, we are developing it as an integral part of our business units' operations. Key operating people volunteered to leave their operating positions for a two-year assignment to develop their own business unit's employee development plan built from the bottom up. While the Initiative follows our decentralized organization, each unit's plan will be linked together by collaborative technology and corporate based Initiative leaders. The Employee Development Initiative will be closely aligned to our strategic plan.

Another key element to our strategic plan is to grow externally by acquiring companies or assets that fit our growth expectations. Our corporate development group has stepped up the level of acquisition activity. At any one time we typically have more than 30 potential deals in the review process. However, seller perceptions of fair value often seem to be much different from ours. Despite this intense level of activity, we have ended the year with only one small, but important acquisition to show for it. It takes a lot of candidate partners in the review pipeline to conclude one success. We are pleased to have the team from Williams & Peters Construction on our side as we campaign the Lubbock, Texas region. As we do in our bidding process, we remain disciplined in our effort to acquire new businesses at a fair value for our stockholders.

During the year each business unit completed its individual strategic plan. This is the first time in our history that we applied formal strategic planning to every business profit center. This effort, taking over eighteen months to complete, will make our overall strategic growth goals even more achievable. Of course, the greatest benefit of strategic planning is to go beyond the day-to-day business demands and look far

ahead to identify directions, and to put profit centers and our company in position to capture opportunities.

Granite has a remarkably consistent record of profitability, achieving steady growth when many in our industry have foundered. It is a pleasure to lead such a dedicated group of construction professionals who satisfy their strong entrepreneurial drive and individual ambitions within a teamwork environment. It is due to our estimators working extremely long hours in the heat of getting a bid finished, and our project teams working tirelessly to bring a project in on time and within budget, that we enjoy such success. I compliment our dedicated administrative staff for the great job they do in support of our operating teams.

Lastly, as stockholders, you should feel confident that your Board of Directors represents your interests effectively. They are relentless in their efforts to enhance your investment in Granite and supportive of management as it endeavors to grow the company while assuring that Granite remains a great place to work.

A handwritten signature in black ink, appearing to read "David H. Watts". The signature is fluid and cursive, with the first name "David" being the most prominent.

David H. Watts
Chairman,
President and Chief Executive Officer

March 30, 2001

Officers

David H. Watts
*Chairman, President and
Chief Executive Officer*

William G. Dorey
*Executive Vice President and
Chief Operating Officer*

Patrick M. Costanzo
*Senior Vice President and Manager,
Heavy Construction Division*

Mark E. Boitano
*Senior Vice President and Manager,
Branch Division*

William E. Barton
*Senior Vice President and
Chief Financial Officer*

Roxane C. Allbritton
Vice President and Treasurer

Garry M. Higdem
*Vice President and Assistant Manager,
Heavy Construction Division*

James H. Roberts
*Vice President and Assistant Manager,
Branch Division*

Michael L. Thomas
*Vice President and Director of Human
Resources*

Michael Futch
*Vice President, General Counsel and
Secretary*

David R. Grazian
*Director of Corporate Taxation
and Assistant Secretary*

Mary McCann-Jenni
Controller and Assistant Secretary

Board of Directors

David H. Watts
*Chairman of the Board,
President and Chief Executive Officer*

Joseph J. Barclay
*Former Chairman,
President and Chief Executive Officer,
Cascade Corporation*

Richard M. Brooks
Financial Consultant

Linda Griego
*President and Chief Executive Officer,
Griego Enterprises, Inc.*

Brian C. Kelly
Construction Consultant

Rebecca A. McDonald
*Chairman and Chief Executive Officer,
Enron Global Assets*

Raymond E. Miles
*Trefethan Professor emeritus and
Dean emeritus,
Walter A. Haas School of Business,
University of California, Berkeley*

J. Fernando Niebla
*President,
International Technology Partners*

George B. Searle
President of Searle Associates, Inc.

Annual Stockholders' Meeting

Annual report and proxy statements are mailed about April 23, 2001. Granite's annual meeting of stockholders will be held at 10:30 a.m. on May 21, 2001 at the Embassy Suites, 1441 Canyon Del Rey, Seaside, CA.

Common Stock Information

The February 21, 2001 stock dividend will increase the number of shares outstanding to approximately 40.9 million based on the number outstanding as of February 20, 2001. There are approximately 491 stockholders of record of Granite common stock. All fractional shares resulting from the dividend will be repurchased by the Company at fair market value based on the closing price per share of \$32.02 on February 21, 2001 as reported on the New York Stock Exchange.

Dividend Policy

The Company announced February 21, 2001 that the Board of Directors had approved a three for two stock split in the form of a 50% stock dividend and has elected to raise the Company's regular quarterly cash dividend from \$0.10 per share to \$0.12 per share on a pre-split basis. The stock dividend and regular quarterly cash dividend are payable April 13, 2001 to shareholders of record March 31, 2001. Declaration and payments of dividends is within the sole discretion of the Board of Directors, subject to limitations imposed by Delaware law, and will depend on the Company's earnings, capital requirements, financial condition and other such factors as the Board deems relevant.

Company Contacts

Stockholder information:
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Director of Corporate Communications
831/761-4717

Jacqueline Underdown
Investor Relations Manager
831/761-4741

Registrar and Transfer Agent

Mellon Investor Services LLC
P.O. Box 3315
South Hackensack, NJ 07606
Or
85 Challenger Road
Ridgefield Park, NJ 07660
888/884-5090

Form 10-K

A copy of the form 10-K, which is filed with the Securities and Exchange Commission, is available upon request. Write to Investor Relations, Granite Construction Incorporated, Box 50085, Watsonville, CA 95077-5085. Financial and other information is also available on the Internet at www.graniteconstruction.com.

Independent Accountants

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Santa Barbara, CA 93111
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French Camp, CA 95231
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Salt Lake City, UT 84116
801/526-6000

Forward Looking Disclosure

This report contains forward-looking statements; such as statements related to public sector funding levels, growth expectations, the economy in general, design-build opportunities and external drivers of our business going forward. All such forward-looking statements are subject to risks and uncertainties that could cause actual results of operations and financial condition and other events to differ materially from those expressed or implied in such forward-looking statements. Specific risk factors include, without limitation, changes in the composition of applicable federal and state legislation appropriation committees; federal and state appropriation changes for infrastructure spending; the general state of the economy; weather conditions; competition and pricing pressures; and state referendums and initiatives. For additional information, please see Granite 2000 Annual Report on Form 10-K.



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