

Granite Acquires LiquiForce

WATSONVILLE, Calif.--(BUSINESS WIRE)-- Granite Construction Incorporated (NYSE:GVA) announced today that it has acquired LiquiForce, a privately-owned company which serves public and private sector water and wastewater customers in both Canada and the U.S. Today, LiquiForce provides a variety of underground contracting services including lateral liner rehabilitation, mainline Cured-in-Place Pipe (CIPP), project management, manhole rehabilitation, and mainline point repairs. In addition, they are recognized as a leader for their patented LiquiForce Junction Lateral Liner. Through this acquisition, we welcome more than 100 employees to the Granite team. Going forward, LiquiForce will continue to operate from offices in Kingsville, Ontario, Hamilton, Ontario, and Romulus, Michigan. The transaction is expected to be immediately accretive to Granite's 2018 earnings per share.

"This acquisition represents the next chapter in Granite's strategic plan, as we continue to diversify and grow our business," said James H. Roberts, President and Chief Executive Officer of Granite. "This move positions Granite to build on our capabilities as a national leader in CIPP lining technology and trenchless pipe rehabilitation.

"The addition of LiquiForce also is in alignment with our recent announcement to acquire Layne Christensen. As we consolidate and grow our position in the attractive water and wastewater sector, Granite has significant opportunities to capture a larger share of the market and accelerate our growth prospects," Roberts continued. "These strategic transactions represent a combination of complementary organizations which create a platform for growth, delivering meaningful benefits for shareholders, employees, and customers. We expect value creation for shareholders in both the near- and long-term, including earnings accretion and synergy realization.

"This deal highlights some of the exciting opportunities for profitable growth ahead for Granite. We are proud to add a deep bench of trenchless and CIPP industry veterans who have developed industry leading technology," said Roberts. "Combined with our existing Kenny Underground business, the LiquiForce addition provides a highly complementary set of trenchless rehabilitation solutions and expertise to Granite's existing portfolio, allowing us to better serve clients."

Roberts concluded, "Importantly, LiquiForce is a company that not only complements our customer and project portfolio, it also shares Granite's values. Employees will have opportunities to grow into new roles and learn about new businesses as part of a larger, more diversified company. Together we will profitably grow our business, across geographies, delivering a broadening portfolio of services and the high-quality products and services that Granite and LiquiForce clients have come to expect."

Transaction

Financial terms of this cash deal are undisclosed. LiquiForce today is an approximately \$40-million annual revenue run-rate business with low double-digit EBITDA margins. This is an all-cash deal, and Granite will use its revolving credit facility for financing, while also in the process of increasing the revolving credit facility to provide for future growth opportunities. Granite's balance sheet remains strong, with access to sufficient capital to continue to execute our strategic plan.

Financial close of the transaction was today, April 3, 2018. One-time costs related to the acquisition of LiquiForce are estimated to be less than \$1 million and will be recorded in the second quarter of 2018.

About Granite

Through its offices and subsidiaries nationwide, Granite (NYSE:GVA) is one of the nation's largest infrastructure contractors and construction materials producers. Granite specializes in complex infrastructure projects, including transportation, industrial and federal contracting, and is a proven leader in alternative procurement project delivery. Granite is an award-winning firm in safety, quality and environmental stewardship, and has been honored as one of the World's Most Ethical Companies by Ethisphere Institute for nine consecutive years. Granite is listed on the New York Stock Exchange and is part of the S&P MidCap 400 Index, the MSCI KLD 400 Social Index and the Russell 2000 Index. For more information, visit graniteconstruction.com.

Forward Looking Statements

All statements included or incorporated by reference in this communication, other than statements or characterizations of historical fact, are forward-looking statements within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Granite's current expectations, estimates and projections about its business and industry, management's beliefs, and certain assumptions made by Granite and Layne, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. Examples of such forward-looking statements include, but are not limited to: (1) references to the anticipated benefits of the proposed transaction; (2) the expected future capabilities and served markets of the individual and/or combined companies; (3) projections of financial results, whether by specific market segment, or as a whole, and whether for each individual company or the combined company; (4) market expansion opportunities and segments that may benefit from sales growth as a result of changes in market share or existing markets; (5) the financing components of the proposed transaction; (6) potential credit scenarios, together with sources and uses of cash; and (7) the expected date of closing of the transaction.

These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially and adversely from those expressed in any forward-looking statement. Important risk factors that may cause such a difference in connection with the proposed transaction include, but are not limited to, the following factors: (1) the risk that the conditions to the closing of the transaction are not satisfied, including the risk that required approvals for the transaction from governmental authorities or the stockholders of Layne are not obtained; (2) litigation relating to the transaction; (3) uncertainties as to the timing of the consummation of the transaction and the ability of each party to consummate the transaction; (4) risks that the proposed transaction disrupts the current plans and operations of Granite or Layne; (5) the ability of Granite or Layne to retain and hire key personnel; (6) competitive responses to the proposed transaction and the impact of competitive products; (7) unexpected costs, charges or expenses resulting from the transaction; (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (9) the combined companies' ability to achieve the growth prospects and synergies expected from the transaction, as well as delays, challenges and expenses associated with integrating the combined companies' existing businesses; (10) the terms and availability of the indebtedness planned to be incurred in connection with the transaction; and (11) legislative, regulatory and economic developments, including changing business conditions in the construction industry and overall economy as well as the financial performance and expectations of Granite and Layne's existing and prospective customers. These risks, as well as other risks associated with the proposed transaction, will be more fully discussed in the proxy statement/prospectus that are included in the Registration Statement on Form S-4 that was filed with the Securities and Exchange Commission ("SEC") in connection with the proposed transaction. Investors and potential investors are urged not to place undue reliance on forward-looking statements in this document, which speak only as of this date. Neither Granite nor Layne undertakes any obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances. Nothing contained herein constitutes or will be deemed to constitute a forecast, projection or estimate of the future financial performance of Granite, Layne, or the combined company, following the implementation of the proposed transaction or otherwise.

In addition, actual results are subject to other risks and uncertainties that relate more broadly to Granite's overall business, including those more fully described in Granite's filings with the SEC including its annual report on Form 10-K for the fiscal year ended December 31, 2017, and Layne's overall business and financial condition, including those more fully described in Layne's filings with the SEC including its annual report on Form 10-K for the fiscal year ended January 31, 2017.

No Offer or Solicitation

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Additional Information and Where to Find It

In connection with the proposed transaction, Granite filed a registration statement on Form S-4, which includes a preliminary prospectus of Granite and a preliminary proxy statement of Layne (the "proxy statement/prospectus"), and each party will file other documents regarding the proposed transaction with the SEC. The registration statement has not yet become effective and the proxy statement/prospectus included therein is in preliminary form. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** A definitive proxy statement/prospectus will be sent to Layne's stockholders.

You may obtain copies of all documents filed with the SEC regarding this transaction, free of charge, at the SEC's website (www.sec.gov). In addition, investors and stockholders will be able to obtain free copies of the proxy statement/prospectus and other documents filed with the SEC by Granite on Granite's Investor Relations website (investor.Granite.com) or by writing to Granite, Investor Relations, 585 West Beach Street, Watsonville, CA 95076 (for documents filed with the SEC by Granite), or by Layne on Layne's Investor Relations website (investor.laynechristensen.com) or by writing to Layne Company, Investor Relations, 1800 Hughes Landing Boulevard, Suite 800, The Woodlands, TX 77380 (for documents filed with the SEC by Layne).

Participants in the Solicitation

Granite, Layne, and certain of their respective directors, executive officers, other members of management and employees and agents retained, may, under SEC rules, be deemed to be participants in the solicitation of proxies from Layne stockholders in connection with the proposed transaction. Information regarding the persons who may, under SEC rules, be deemed participants in the solicitation of Layne stockholders in connection with the proposed transaction will be set forth in the proxy statement/prospectus when it is filed with the SEC. You can find more detailed information about Granite's executive officers and directors in its definitive proxy statement filed with the SEC on April 25, 2017. You can find more detailed information about Layne's executive officers and directors in its definitive proxy statement filed with the SEC on April 28, 2017. Additional information about Granite's executive officers and directors and Layne's executive officers and directors will be provided in the above-referenced Registration Statement on Form S-4.

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