GRANITE CONSTRUCTION INC
Form DEF 14A
April 04, 2005

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant x

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Check the appropriate box:

o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
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GRANITE CONSTRUCTION INCORPORATED

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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x No fee required
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Table of Contents

GRANITE CONSTRUCTION INCORPORATED
585 West Beach Street
Watsonville, California 95076
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
May 23, 2005

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of GRANITE CONSTRUCTION INCORPORATED, a Delaware corporation, will be held on May 23, 2005 at 10:30 a.m. local time, at the Embassy Suites, 1441 Canyon Del Rey, Seaside, California 93955 for the following purposes:

1. To elect three (3) directors for the ensuing three-year term;

2. To ratify the directorship of one (1) director appointed by the Board on July 22, 2004;

3. To ratify the appointment by the Audit/Compliance Committee of PricewaterhouseCoopers LLP as our independent auditor for the fiscal year ending December 31, 2005; and

4. To transact such other business as may properly come before the meeting.

Shareholders of record at the close of business on March 25, 2005 are entitled to notice of, and to vote at, this meeting and any continuations or adjournments thereof. For ten days prior to the meeting, a complete list of shareholders entitled to vote at the meeting will be available for examination by any shareholder for any purpose relative to the meeting during ordinary business hours at Granite s headquarters located at 585 West Beach Street, Watsonville, CA 95076.

Whether or not you plan to attend the meeting, we urge you to sign, date and return the enclosed proxy card in the enclosed postage-paid envelope so that as many shares as possible may be represented at the meeting.

The vote of every shareholder is important, and your cooperation in promptly returning your executed proxy card will be appreciated. Each proxy card is revocable and will not affect your right to vote in person in the event that you decide to attend the meeting.

By Order of the Board of Directors,

Michael Futch
Vice President, General Counsel and Secretary

Watsonville, California
April 15, 2005

TABLE OF CONTENTS

Table of Contents

GRANITE CONSTRUCTION INCORPORATED
585 West Beach Street
Watsonville, California 95076

PROXY STATEMENT

2005 ANNUAL MEETING OF SHAREHOLDERS

This proxy statement is furnished in connection with the solicitation by the management of GRANITE CONSTRUCTION INCORPORATED, a Delaware corporation, of proxies for use at the annual meeting of shareholders to be held on May 23, 2005, or any postponement or adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting. This proxy statement and accompanying proxy cards are first being sent to shareholders on approximately April 15, 2005.

SOLICITATION OF PROXIES

The cost of the solicitation of proxies will be borne by Granite. In addition to soliciting shareholders by mail through our employees, we will request banks and brokers, and other custodians, nominees and fiduciaries, to solicit their customers who hold our stock registered in the name of such persons and will reimburse them for their reasonable, out-of-pocket costs. We may use the services of our officers, directors and others to solicit proxies personally or by telephone, without additional compensation.

VOTING RIGHTS

All shares represented by valid proxy cards received prior to the meeting will be voted and, where a shareholder specifies a choice on the proxy card with respect to any matter to be acted upon, the shares will be voted in accordance with the specifications made. If no instructions are given on an executed proxy card, the shares will be voted in accordance with the recommendations of the Board. The Board s recommendations are set forth along with the description of each item in this proxy statement. In summary, the Board recommends a vote:

- ***For*** election of all three nominated directors;
- ***For*** ratification of one director;
- ***For*** ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditor for the fiscal year ending December 31, 2005.

With respect to any other proposal that may properly come before the annual meeting, including a motion to adjourn the annual meeting to another time or place (including for the purpose of soliciting additional proxies), the shares will be voted in the discretion of the proxies. A shareholder who signs and returns a proxy card in proper form will have the power to revoke it at any time before it is voted. A proxy may be revoked by filing with our Secretary a written revocation or a duly executed proxy card bearing a later date, or by appearing at the meeting and voting in person. Our Bylaws provide that a majority of the shares entitled to vote, whether present in person or represented by proxy, shall constitute a quorum for the transaction of business at the meeting. Votes for and against, abstentions and shares held by brokers that are present but not voted because the brokers are prohibited from exercising discretionary voting authority, i.e., broker non-votes, will each be counted as present for purposes of determining the presence of a quorum.

The voting securities entitled to vote at the meeting consist of shares of our common stock. Only shareholders of record at the close of business on March 25, 2005 are entitled to notice of, and to vote at, the annual meeting. On March 25, 2005, there were 41,516,258 shares of common stock issued and outstanding. Each shareholder shall have one vote for every share of common stock registered in his or her name on the record date for the meeting.

Table of Contents

Pursuant to our Bylaws and policies, in advance of the annual meeting of shareholders, management will appoint an independent Inspector of Elections to supervise the voting of shares at the annual meeting. The Inspector will decide all questions respecting the qualification of voters, the validity of proxy cards and the acceptance or rejection of votes. The Inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to faithfully execute the duties of Inspector with strict impartiality and according to the best of his or her ability.

The election of directors shall be determined by a plurality of votes cast, and except as otherwise provided by law or our Certificate of Incorporation or Bylaws, all other matters shall be determined by a majority of the votes cast affirmatively or negatively.

ELECTION OF DIRECTORS

Our Board of Directors currently consists of eleven directors. Directors are elected for three-year terms and are divided into three classes, with one class elected at each annual meeting of shareholders.

At the meeting three (3) directors are to be elected for the ensuing three-year term and until their successors are elected and qualified. The nominees are David H. Watts, J. Fernando Niebla and Gary M. Cusumano. Mr. Watts and Mr. Niebla have served on the Board since 1988 and 1999, respectively. Mr. Watts recommended Mr. Cusumano as a potential nominee to a third party search firm engaged by the Nominating and Corporate Governance Committee. The search firm then recommended Mr. Cusumano along with three (3) other candidates to the Nominating and Corporate Governance Committee. Upon recommendation by the committee, Mr. Cusumano was elected to the Board at a special meeting of the Board on February 10, 2005 to serve until this year s annual meeting of shareholders.

William H. Powell was identified and recommended by a third party search firm engaged by the Nominating and Corporate Governance Committee. The search firm then recommended Mr. Powell along with three (3) other candidates to the Nominating and Corporate Governance Committee. Mr. Powell was appointed to the Board on July 22, 2004. His directorship is to be ratified for the remaining two-year term and until his successor is elected and qualified.

The Board of Directors recommends a vote FOR each of the nominees named above.

If elected, each nominee will hold office until his term expires or until his successor is elected and qualified unless he resigns or his office becomes vacant by death, removal, or other cause in accordance with our Bylaws.

It is intended that votes pursuant to the proxy cards will be cast for the named nominees. The persons named in the accompanying forms of proxy card will vote the shares represented thereby for the nominees. Management knows of no reason why any of these nominees should be unable or unwilling to serve. However, if any nominee(s) should for any reason be unable or unwilling to serve, the proxy cards will be voted for the election of such other person(s) recommended by the Board for director in the place of such nominee(s).

If a quorum is present, the three nominees receiving the highest number of votes will be elected for the ensuing three-year term. The term of Mr. Powell s directorship will be ratified for the term expiring at the 2007 annual meeting of shareholders. Abstentions and broker non-votes will be counted as present in determining if a quorum is present, but will have no effect on the outcome of the vote.

Table of Contents

Certain information with respect to the age and background of the nominees and the other current directors is set forth below:

Director Nominees	**Position**	**Age**	**Director Since**
David H. Watts	Chairman of the Board	66	Director since 1988; term ends 2005.
J. Fernando Niebla	Director	65	Director since 1999; term ends 2005.
Gary M. Cusumano	Director	61	Director since 2005; term ends 2005.
Directors Whose Terms End in 2006			
Linda Griego	Director	57	Director since 1999; term ends 2006.
David H. Kelsey	Director	54	Director since 2003; term ends 2006.
Raymond E. Miles	Director	72	Director since 1988; term ends 2006.
Directors Whose Terms End in 2007			
William G. Dorey	President, Chief Executive Officer & Director	60	Director since 2004; term ends 2007.
Rebecca A. McDonald	Director	52	Director since 1994; term ends 2007.
George B. Searle	Director	72	Director since 1998; term ends 2007.
William H. Powell	Director	59	Director since 2004; term ends 2007.

Granite Construction Incorporated was incorporated in Delaware in January 1990 as the holding company for Granite Construction Company, which was incorporated in California in 1922. All dates in this proxy statement referring to service with Granite include periods of service with Granite Construction Company.

Nominees

Mr. Watts has served as our Chairman of the Board since May 24, 1999. He also served as our Chief Executive Officer from 1987 to December 31, 2003 and as our President from 1987 to January 31, 2003. Mr. Watts was formerly President and Chief Executive Officer and a director of Ford, Bacon & Davis, Inc., an industrial engineering and construction firm. Mr. Watts currently serves as a director of TIC Holdings, Inc., the California Chamber of Commerce, of which he is a past Chair, the Monterey County Symphony, the Monterey Bay Area Council of the Boy Scouts of America, the Community Hospital of Monterey Peninsula, the California Business Roundtable, and the President s Council, California State University, Monterey Bay. He holds a B.A. degree in Economics from Cornell University.

Mr. Niebla has served as President of International Technology Partners L.L.C., an IT and business consulting services company based in Orange County, California since August 1998. Mr. Niebla is a director of Union Bank of California and Pacific Life Corp. He holds a B.S. degree in Electrical Engineering from the University of Arizona and an M.S. QBA from the University of Southern California.

Mr. Cusumano has served as Chairman of The Newhall Land and Farming Company, a developer of new towns and master-planned communities in north Los Angeles County, since Lennar and LNR Properties acquired Newhall Land in 2004. Prior to the acquisition, he served as President and Chief Operating Officer of Newhall Land from 1989 to 2001, Chief Executive Officer from 2001 to 2004, and director since 1995. He is currently a director of Sunkist Growers, Inc. Mr. Cusumano holds a B.S. degree in Economics from the University of California, Davis and is a graduate of the Sloan Program at the Stanford University Business School.

Continuing Directors

Mr. Dorey has been an employee of Granite since 1968 and has served in various capacities, including director since January 22, 2004, President and Chief Executive Officer since January 1, 2004, President and Chief Operating Officer from February 2003 to January 21, 2004, Executive Vice President and Chief Operating Officer from 1998 to February 2003, Senior Vice President and Manager, Branch Division from 1987 to 1998, and Vice

Table of Contents

President and Assistant Manager, Branch Division from 1983 to 1987. Mr. Dorey is also a director of Wilder Construction Company and served as a director of TIC Holdings, Inc. from 1997 to 2002. He received a B.S. degree in Construction Engineering from Arizona State University in 1967.

Ms. Griego has served as President and Chief Executive Officer of Griego Enterprises, Inc. since 1985 and is also Managing General Partner of Engine Co. No. 28, a restaurant that she founded in 1988. From July 1999 until January 2000, Ms. Griego served as interim President and Chief Executive Officer of the Los Angeles Community Development Bank, a $430 million federally funded community bank. She is currently a director of Blockbuster, Inc. and Southwest Water Company. Ms. Griego also served as a Los Angeles branch director of the Federal Reserve Bank of San Francisco. She holds a B.A. degree in History from the University of California, Los Angeles.

Mr. Kelsey has served as Senior Vice President and Chief Financial Officer of Sealed Air Corporation, an S&P 500 manufacturer of specialty packaging for food and other protective applications, since December 2003 and served as Vice President and Chief Financial Officer between January 2002 and December 2003. From 1998 to 2001, he served as Vice President and Chief Financial Officer of Oglebay Norton Company, a Russell 3000 company in the industrial mineral and aggregates industry. Mr. Kelsey holds a B.S.E. degree in Civil and Geological Engineering from Princeton University and an M.B.A. degree from Harvard University Graduate School of Business.

Ms. McDonald has served as President, Gas and Power, BHP Billiton since March 29, 2004. She was formerly the President of the Houston Museum of Natural Science, a position she assumed in October 2001. Prior to joining the museum, she was the Chairman and Chief Executive Officer of Enron Global Assets between February 1999 and May 2001. She currently serves as a director of Eagle Global Logistics. Ms. McDonald holds a B.S. degree in Education from Stephen F. Austin State University.

Dr. Miles is Professor Emeritus at the Walter A. Haas School of Business at the University of California, Berkeley, where he served as Dean from 1983 to 1990 and has been a member of the faculty since 1963. Dr. Miles is a former director of the Union Bank of California. He holds B.A. and M.B.A. degrees from the University of North Texas and a Ph.D. in Organizational Behavior and Industrial Relations from Stanford University.

Mr. Powell has served as Chairman and Chief Executive Officer of National Starch and Chemical Company since 1999. He is currently director of ICI PLC and American Chemistry Council. Mr. Powell holds a B.A. degree in Chemistry and an M.S. in Chemical Engineering from Case Western Reserve University and an M.A. in Business Administration from the University of North Dakota.

Mr. Searle has served as President of Searle Associates, Inc., consultants to the construction industry, since May 1996. He was formerly President and Chief Executive Officer of IA Construction Co. of Concordville, Pennsylvania, a leading construction company in the Northeast. Mr. Searle serves as a director of Barriere Construction Co., L.L.C. and Elwyn Inc. He holds a B.A. degree in Mathematics from Harvard University.

Other than Mr. Dorey, our President and Chief Executive Officer, and Mr. Watts, our former President and Chief Executive Officer, all members of our Board of Directors are independent as determined in accordance with the listing standards of the New York Stock Exchange.

Retiring Directors

Mr. Barclay was elected to his present term in 2002. His term will expire at this year s annual meeting. The Board of Directors retirement policy provides that a director may continue to serve as a director until the end of the term of office in which the director reaches his or her 72nd birthday. Accordingly, Mr. Barclay will retire from the Board at this year s annual meeting.

Table of Contents

COMMITTEES OF THE BOARD

The standing committees of the Board of Directors are the Audit/ Compliance Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, the Strategic Planning Committee, and the Executive Committee.

Audit/Compliance Committee

David H. Kelsey, Chair
Joseph J. Barclay
Linda Griego
J. Fernando Niebla

For a description of the functions and activities of the Audit/Compliance Committee, see Report of the Audit/Compliance Committee and the Audit/Compliance Committee Charter. The Audit/Compliance Committee consists entirely of outside directors who meet the independence requirements of the rules and regulations of the SEC and the listing standards of the New York Stock Exchange as applicable to audit committee members. Mr. Kelsey is qualified as the Audit/Compliance Committee s financial expert within the meaning of the rules and regulations of the SEC, and the Board has determined that all members of the Committee are financially literate as required by the listing standards of the New York Stock Exchange. The charter for the Audit/Compliance Committee is available on Granite s website *(see* Granite Website below). The Audit/Compliance Committee held ten (10) meetings in 2004.

Compensation Committee

Joseph J. Barclay, Chair
David H. Kelsey
Rebecca A. McDonald
George B. Searle

The Compensation Committee reviews and recommends compensation for our directors, corporate officers and key employees. In addition, the Compensation Committee administers the 1999 Equity Incentive Plan with respect to persons subject to Section 16 of the Securities Exchange Act of 1934. In the case of awards intended to qualify for the performance-based compensation exemption under Section 162(m) of the Code, the Plan will be administered only by the Compensation Committee, which consists of at least two outside directors within the meaning of Section 162(m). The Compensation Committee consists entirely of directors who meet the independence requirements of the listing standards of the New York Stock Exchange. For additional information concerning the Compensation Committee, see the Compensation Committee Charter on Granite s website *(see* Granite Website below) and the Report of the Compensation Committee contained within this proxy statement. The Compensation Committee held two (2) meetings in 2004.

Nominating and Corporate Governance Committee

Raymond E. Miles, Chair
Linda Griego
J. Fernando Niebla
William H. Powell

The Nominating and Corporate Governance Committee recommends and nominates persons to serve on the Board of Directors. The Committee will consider nominees to the Board recommended by shareholders as long as the shareholder gives timely notice in writing of his or her intent to nominate a director. To be timely, a shareholder nomination for a director to be elected at the 2006 annual meeting must be received at Granite s principal office, addressed to the Corporate Secretary, on or before December 16, 2005. The Committee s policy with regard to the consideration of any director candidates, including candidates recommended by shareholders, is discussed in more detail below under the heading Nominations to the Board and is available on Granite s website *(see* Granite Website below). The Committee also develops and recommends to the Board corporate governance principles and practices and is responsible for leading an annual review of the Board s performance. The Nominating and Corporate Governance Committee consists entirely of directors who meet the independence requirements of the listing standards of the New York Stock Exchange. The Nominating and Corporate Governance Committee held seven (7) meetings in 2004.

Table of Contents

Strategic Planning Committee

Rebecca A. McDonald, Chair
Raymond E. Miles
J. Fernando Niebla
William H. Powell
George B. Searle
David H. Watts

The function of the Strategic Planning Committee is to develop, in conjunction with management, our Strategic Plan and to provide overall strategic planning direction. The Strategic Planning Committee held no meetings in 2004.

Executive Committee

David H. Watts, Chair
Joseph J. Barclay
George B. Searle
Raymond E. Miles, Presiding Director

The Executive Committee s responsibility is to exercise all powers and authority of the Board of Directors in the management of Granite s business affairs within limits specified by the Board. The Committee reviews and approves specific decisions as established by the current Limits of Authority schedule. Members of the Executive Committee do not receive any meeting fees or other compensation for their service on the Committee.

PRESIDING DIRECTOR

At each regularly scheduled meeting, the Board schedules an executive session without the presence of management. In March 2004 the Board elected Dr. Raymond E. Miles, Chairman of the Nominating and Corporate Governance Committee, to the position of Presiding Director. The Presiding Director presides over executive sessions of the Board and over all meetings at which the Chairman of the Board is not present. In addition, he/she serves as a liaison between the Chairman and the Board and discusses and approves the structure and content of the Board agenda. A new Presiding Director is elected every two (2) years.

BOARD OF DIRECTORS NOMINATION POLICY

Evaluation Criteria and Procedures

Members of the Board of Directors of Granite Construction Incorporated are divided into three classes and are nominated for election for staggered three-year terms. The Board, its members, its committee structure and performance and its overall governance performance are continuously reviewed. Included in this review is a careful evaluation of the mix of skills and experience of Board members weighed against the Company s current and emerging operating and strategic challenges and opportunities. These evaluations are made on the basis of observations and interviews with management and with Board members conducted annually by the Nominating and Corporate Governance Committee, with the assistance of an outside executive search firm. The activities of the executive search firm are coordinated by the Director of Human Resources.

Current Board members whose performance, capabilities, and experience meet the Company s expectations and needs are nominated for reelection in the year of their term s completion. In accordance with the Company s Corporate Governance Guidelines, Board members are not re-nominated after they reach their 72nd birthday.

Each member of the Board of Directors must meet a set of core criteria, referred to as the three C s : Character, Capability, and Commitment. Granite was founded by persons of outstanding character, and it is the intention of the Company to ensure that it continues to be governed by persons of high integrity and worthy of the trust of its shareholders. Further, the Company intends to recruit and select persons whose capabilities, including their educational background, their work and life experiences, and their demonstrated records of performance will ensure that Granite s Board will have the balance of expertise and judgment required for its long-term performance and growth. Finally, the Company will recruit and select only those persons who demonstrate that they have the commitment to devote the time, energy, and effort required to guarantee that the Company will have the highest possible level of leadership and governance.

In addition to the three C s the Board recruitment and selection process assures that the Board composition meets all of the relevant standards for independence and specific expertise. For each new recruitment process, a set of specific criteria is determined by the Nominating and Corporate Governance Committee with the assistance of the executive search firm and the Chairman of the Board, utilizing the interview process noted above. These criteria may specify, for example, the type of industry or geographic experience that would be useful to maintain and improve the balance of skills and knowledge on the Board. After the search criteria are established, the executive search firm utilizes its professional skills and its data sources and contacts, including current Company Board members and officers, to seek appropriate candidates. The credentials of a set of qualified candidates provided by the search process are submitted for review by the Nominating and Corporate Governance Committee, the Chairman of the Board and senior officers. Based on this review, the Nominating and Corporate Governance Committee invites the top candidates for personal interviews with the Committee and the Company s executive management team.

Normally, the search, review, and interview process results in a single nominee to fill a specific vacancy. However, a given search may be aimed at producing more than one nominee and the search for a single nominee may result in two candidates of such capability and character that both might be nominated, with term classes restructured following additional vacancies.

It is the Company s intention that this search and nomination process consider qualified candidates referred by a wide variety of sources, including all of the Company s constituents -- its customers, employees, shareholders, and members of the communities in which it operates. The search firm will include all referrals in its screening process and bring qualified candidates to the attention of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for assuring that all relevant sources of potential candidates have been canvassed.

Shareholder Recommendation and Direct Nomination of Board Candidates

Consistent with the Bylaws and the Nominating and Corporate Governance Committee Charter, the Company will review and consider for nomination any candidate for membership to the Board recommended by a shareholder of the Company, in accordance with the evaluation criteria and selection process described above. Shareholders wishing to recommend a candidate for consideration in connection with an election at a specific annual meeting should notify the Company well in advance of the meeting date to allow adequate time for the review process and preparation of the proxy statement, and in no event later than the date specified below with respect to direct nominations.

In addition, the Company s Bylaws provide that any shareholder entitled to vote in the election of directors may directly nominate a candidate or candidates for election at a meeting provided that timely notice of his or her intention to make such nomination is given. To be timely, a shareholder nomination for a director to be elected at an annual meeting must be received by the Company not less than 120 days prior to the first anniversary of the date the proxy statement for the preceding year s annual meeting of shareholders was released to shareholders and must contain the information specified in the Bylaws.

DETERMINATION OF DIRECTOR INDEPENDENCE

Under the listing standards of the New York Stock Exchange, no director will be considered independent unless the Board affirmatively determines that the director has no material relationship with the Company. In making independence determinations, the Board will consider all relevant facts and circumstances including commercial,

Table of Contents

industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. The Board shall refer to the following guidelines when making or assessing the independence of a director:

A director who is, or has been, within the last three years, an employee of the Company or whose immediate family member is, or has been within the last three years, an executive officer of the Company, may not be deemed independent until three years after the end of such employment relationship. Employment as an interim Chairman or CEO or other executive officer shall not disqualify a director from being considered independent following that employment.

A director who has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $100,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), may not be deemed independent. Compensation received by a director for former service as an interim Chairman or CEO or other executive officer and compensation received by an immediate family member for service as an employee of the company (other than an executive officer) will not be considered in determining independence under this test.

The following directors may not be deemed independent: (A) a director who is affiliated with or employed by or whose immediate family member is a current partner of a firm that is the Company s internal or external auditor; (B) a director who is a current employee of such a firm; (C) a director who has an immediate family member who is a current employee of such a firm and who participates in the firm s audit, assurance or tax compliance practice; or (D) a director or immediate family member who was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company s audit within that time.

A director or whose immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company s present executive officers at the same time serves or served on that company s compensation committee may not be deemed independent.

A director who is a current employee or whose immediate family member is a current executive officer of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million, or 2% of such other company s consolidated gross revenues for that fiscal year may not be deemed independent.

The Board reviews the independence of all non-employee directors annually. Information is gathered from responses to questionnaires completed by directors and other sources in order to complete the review. Directors are required to inform the Nominating and Corporate Governance Committee immediately of any material changes in their or their immediate family members relationships or circumstances that might have an impact on or alter their independence status.

BOARD MEETING ATTENDANCE

During 2004, the Board of Directors held eight (8) meetings. All directors attended at least 75% of the total number of meetings of the Board or any committee on which they served. Directors are expected to attend the annual meeting of shareholders absent irreconcilable conflicts. The Annual Meeting Attendance Policy can be found as part of Granite s Board of Directors Corporate Governance Guidelines and Policies on Granite s website *(see* Granite Website below). All directors attended Granite s 2004 annual meeting of shareholders.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

David V. Watts, a son of David H. Watts, Chairman of the Board, is Granite s Director of Information Technology. For fiscal year 2004, Mr. Watts was paid a salary of $120,000, a $27,600 bonus and other compensation totaling $24,585 (including Profit Sharing cash bonus, restricted stock dividend and moving reimbursement). He also

Table of Contents

has a home loan from Granite as part of a relocation package. During fiscal year 2004, the largest amount outstanding on the loan was $62,500. At December 31, 2004, the outstanding amount was $50,000.

Director Searle s son, George G. Searle, is an area manager with Granite s subsidiary, Granite Halmar Construction Company, Inc. During fiscal year 2004, he received $140,000 in salary, a $66,469 bonus and a Profit Sharing cash bonus of $8,980.

SHAREHOLDER COMMUNICATION TO THE BOARD

Any shareholder may communicate directly to the Presiding Director and the Board of Directors. The process for communicating to the Board of Directors is described in the Shareholder Communication to the Board of Directors Policy and can be found on Granite s website (*see* Granite Website below).

CODE OF CONDUCT

Granite has a Code of Conduct that is applicable to all Granite employees, including the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer and all directors. The Code of Conduct is available on Granite s website at www.graniteconstruction.com at the About Us site under Core Values . Granite intends to post amendments to its Code of Conduct at this location on its website. A copy of the Code of Conduct may also be obtained, without charge, by contacting Granite s Human Resources Department at (831) 724-1011.

GRANITE WEBSITE

The following charters and policies can be found on Granite s website at the Corporate Governance site under Investor Relations at www.graniteconstruction.com: the Audit/Compliance Committee Charter, the Nominating and Corporate Governance Committee Charter, the Compensation Committee Charter, the Corporate Governance Guidelines and Policies, the Board of Directors Nomination Policy and the Shareholder Communication to the Board Policy. Copies of these charters and policies are also available in print upon request by any shareholder by contacting Granite s Investor Relations Department at (831) 761-4714.

Table of Contents

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table contains information as of February 15, 2005 regarding the ownership of our common stock by: (i) all persons known to us to be the beneficial owners of 5% or more of our outstanding common stock, (ii) each of our directors and director nominees, (iii) our Chief Executive Officer and our four other most highly compensated executive officers, and (iv) all executive officers and directors of Granite as a group:

Name	Amount and Nature of Beneficial Ownership(1)	Percent of Common Stock Outstanding(2)
Emben & Co. (ESOP Trust) c/o BNY Western Trust Company One Wall Street New York, NY 10286	7,913,808	17.01%
FMR Corp.(3) 82 Devonshire Street Boston, MA 02109	3,601,060	8.653%
Vanguard Chester Funds Vanguard Primecap Fund(4) 100 Vanguard Blvd. Malvern, PA 19355	3,150,000	7.57%
Wachovia Corporation(5) One Wachovia Center Charlotte, NC 28288-0137	2,861,490	6.88%
David H. Watts(6)	71,325	*
Joseph J. Barclay(7)	31,905**	*
Gary M. Cusumano	0	*
Linda Griego(8)	4,824**	*
David H. Kelsey(9)	5,570**	*
Rebecca A. McDonald(10)	11,324**	*
Raymond E. Miles(11)	13,603**	*
J. Fernando Niebla(12)	11,434**	*
William H. Powell(13)	2,621**	*
George B. Searle(14)	21,292**	*
William G. Dorey(15)	340,698	*
Mark E. Boitano(16)	201,067	*
William E. Barton(17)	128,998	*
Patrick M. Costanzo(18)	168,504	*

James H. Roberts(19)	200,995	*
All Executive Officers and Directors as a Group (15 Persons)(6-19)	1,214,160	2.61%

* Less than 1%.

** Each non-employee director must receive at least 50% of the value of all compensation for services as a director in the form of a stock-based director fee award in lieu of receipt of cash. All stock-based awards are exercisable at time of grant. Refer to Page 18 for further description.

(1) Except as indicated in the footnotes to this table, the persons named in the table have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them, subject to community property laws where applicable.

(2) Calculated on the basis of 46,610,795 shares of Common Stock outstanding as of February 15, 2005, except that shares of Common Stock underlying options exercisable within 60 days of February 15, 2005 are deemed outstanding for purposes of calculating the beneficial ownership of Common Stock of the holders of such options.

(3) Share ownership is as of December 31, 2004. Based upon a Schedule 13G filed by FMR Corp. (FMR) with the Securities and Exchange Commission. FMR has sole voting power with respect to 845,600 shares and sole dispositive power with respect to all 3,601,060 shares.

Table of Contents

Footnotes continued from previous page

(4) Share ownership is as of December 31, 2004. Based upon a Schedule 13G filed by Vanguard Chester Funds - Vanguard/ PRIMECAP Fund (Vanguard) with the Securities and Exchange Commission. Vanguard has sole voting power with respect to all 3,150,000 shares.

(5) Share ownership is as of December 31, 2004. Based upon a Schedule 13G filed by Wachovia Corporation (Wachovia) with the Securities and Exchange Commission. Wachovia has sole voting power with respect to 373,675 shares, shared voting power with respect to 2,483,271 shares, sole dispositive power with respect to 2,860,190 shares and shared dispositive power with respect to 1,150 shares.

(6) All 71,325 shares are Common Stock owned by the Employee Stock Ownership Plan (ESOP) but allocated to Mr. Watts account as of February 15, 2005, over which Mr. Watts has voting but not dispositive power. These shares cannot be distributed until the plan year following the plan year in which Mr. Watts retires, becomes disabled or dies.

(7) Includes 24,405 shares of Common Stock which Mr. Barclay has the right to acquire as of February 15, 2005 as a result of options vested and exercisable on the day of grant under the Amended and Restated 1999 Equity Incentive Plan.

(8) All 4,824 shares are Common Stock which Ms. Griego has the right to acquire as of February 15, 2005 as a result of options vested and exercisable on the day of grant under the Amended and Restated 1999 Equity Incentive Plan.

(9) All 5,570 shares are Common Stock which Mr. Kelsey has the right to acquire as of February 15, 2005 as a result of options vested and exercisable on the day of grant under the Amended and Restated 1999 Equity Incentive Plan.

(10) Includes 8,613 shares of Common Stock which Ms. McDonald has the right to acquire as of February 15, 2005 as a result of options vested and exercisable on the day of grant under the Amended and Restated 1999 Equity Incentive Plan and 1,586 Common Stock units granted under the Amended and Restated 1999 Equity Incentive Plan. Also includes 1,125 shares that Ms. McDonald holds jointly with her husband.

(11) Includes 11,353 shares of Common Stock which Mr. Miles has the right to acquire as of February 15, 2005 as a result of options vested and exercisable on the day of grant under the Amended and Restated 1999 Equity Incentive Plan. Also includes 2,250 shares held in trust for the benefit of family members, as to which Mr. Miles and his wife share voting and investment power.

(12) Consists of 11,434 shares of Common Stock which Mr. Niebla has the right to acquire as of February 15, 2005 as a result of options vested and exercisable on the day of grant under the Amended and Restated 1999 Equity Incentive Plan.

(13) Consists of 593 shares of Common Stock which Mr. Powell has the right to acquire as of February 15, 2005 as a result of options vested and exercisable on the day of grant under the Amended and Restated 1999 Equity Incentive Plan. Also includes 2,028 shares that Mr. Powell holds jointly with his wife.

(14) Includes 4,600 shares of Common Stock units granted to Mr. Searle under the Amended and Restated 1999 Equity Incentive Plan.

(15)

Includes approximately 226,105 shares of Common Stock owned by the ESOP but allocated to Mr. Dorey s account as of February 15, 2005, and 60,841 shares of restricted stock over which Mr. Dorey has voting, but not dispositive power. These shares cannot be distributed until the plan year following the plan year in which Mr. Dorey retires, becomes disabled or dies. Also includes 53,752 shares held in trust for the benefit of his family as to which shares Mr. Dorey and his wife share voting and investment power.

(16) Includes approximately 157,313 shares of Common Stock owned by the ESOP but allocated to Mr. Boitano s account, and 43,754 shares of restricted stock over which Mr. Boitano has voting, but not dispositive power, as of February 15, 2005. Mr. Boitano s ESOP shares cannot be distributed until the plan year following the plan year in which he retires, becomes disabled or dies.

(17) Includes approximately 68,879 shares of Common Stock owned by the ESOP but allocated to Mr. Barton s account as of February 15, 2005, and 31,265 shares of restricted stock over which Mr. Barton has voting, but not dispositive power, as of February 15, 2005. Mr. Barton s ESOP shares cannot be distributed until the plan year following the plan year in which Mr. Barton retires, becomes disabled or dies. Mr. Barton also holds 28,854 shares jointly with his wife.

(18) Includes approximately 128,779 shares of Common Stock owned by the ESOP but allocated to Mr. Costanzo s account as of February 15, 2005. Mr. Costanzo s ESOP shares may be distributed at his option during plan year 2005 based on his retirement on December 31, 2004. Also includes 39,725 shares held in trust for the benefit of members of his family. Mr. Costanzo and his wife have voting and investment power.

(19) Includes approximately 127,362 shares of Common Stock owned by the ESOP but allocated to Mr. Roberts account as of February 15, 2005, and 59,710 shares of restricted stock over which Mr. Roberts has voting, but not dispositive power, as of February 15, 2005. Mr. Roberts ESOP shares cannot be distributed until the plan year following the plan year in which Mr. Roberts retires, becomes disabled or dies. Mr. Roberts also holds 13,923 shares held in a trust for the benefit of members of his family.

Table of Contents

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and persons who beneficially own more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms filed by such persons.

Based solely on our review of such forms furnished to us and written representations from certain reporting persons, we believe that all filing requirements applicable to our executive officers, directors and more than 10% shareholders were complied with except that, due to an in-house administrative error, William H. Powell s Form 3 was filed one day late.

REPORT OF THE AUDIT/ COMPLIANCE COMMITTEE

The Audit/ Compliance Committee is appointed by the Board of Directors, and its purpose is to assist the Board in (A) its oversight of (1) Granite s accounting and financial reporting principles and policies and internal and disclosure controls and procedures, including the internal audit function, (2) the integrity of Granite s financial statements, (3) the qualifications and independence of Granite s independent auditor, (4) Granite s compliance with legal and regulatory requirements, and (5) Granite s Corporate Compliance Program and Code of Conduct; and (B) shall serve as the Qualified Legal Compliance Committee of the Board of Directors as required. The Committee is solely responsible for selecting, evaluating, setting the compensation of, and, where deemed appropriate, replacing our independent auditor (or nominating an independent auditor to be proposed for shareholder approval in any proxy statement).

Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Committee reviewed the audited financial statements in the Annual Report on Form 10-K with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. In addition, the Director of Internal Audit has direct access and meets regularly with the Committee to discuss the results of internal audits and the quality of internal controls. The Internal Audit Program is augmented by consulting services provided by a large international independent accounting firm, as required. In addition, the Corporate Compliance Officer reports directly to the Committee and the Committee reports to the Board of Directors at each meeting.

The Committee reviewed with our independent auditor, who is responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, its judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Committee under generally accepted auditing standards, including Statement on Auditing Standards No. 61. In addition, the Committee has discussed with the independent auditor the auditor s independence from Granite and its management, including the matters in the written disclosures and the letter from the independent auditor required by the Independence Standards Board, Standard No. 1.

The Committee discussed with our independent auditor the overall scope and plans for their audit. The Committee meets with the independent auditor, with and without management present, to discuss the results of their examination, their evaluation of Granite s internal controls, and the overall quality of our financial reporting. In addition, the Committee reviewed with management and the independent auditor drafts of our quarterly and annual financial statements and press releases prior to the public release of the quarterly earnings. In addition to the quarterly review, the Committee met with the Chief Executive Officer and the Chief Financial Officer to discuss the process adopted by management to enable them to sign the certifications that are required to accompany reports filed with the SEC.

During 2004, management completed the documentation, testing and evaluation of Granite s system of internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002. The Audit/Compliance Committee received periodic updates by management, KPMG, a consultant to management, and PricewaterhouseCoopers (PWC) at each regularly scheduled Committee meeting and provided oversight of the process. At the conclusion of the process, the Audit/Compliance Committee reviewed management s report on the

12

Table of Contents

effectiveness of Granite s internal control over financial reporting. The Audit/Compliance Committee also reviewed management s annual report on internal control over financial reporting to be contained in Granite s Annual Report on Form 10-K for the year ended December 31, 2004, filed with the Securities and Exchange Commissions on March 3, 2005, as well as PWC s report of Independent Registered Public Accounting Firm, also included in Granite s Annual Report on Form 10-K for the year ended December 31, 2004. PWC s report related to its audit of Granite s consolidated financial statements, the effectiveness of Granite s internal control over financial reporting and management s assessment of the effectiveness of internal control over financial reporting.

Principal Accountant Fees and Services

Aggregate fees for professional services rendered for us by PricewaterhouseCoopers LLP as of or for the years ended December 31, 2004 and December 31, 2003, were:

	2004	2003
Audit Fees	$939,753	$404,000
Audit Related Fees	0	43,691
Tax Fees	0	16,777
All Other Fees	58,923	96,929
Total	**$998,676**	**$561,397**

Audit Fees were for professional services rendered for the audits of our consolidated financial statements including audits of internal controls over financial reporting, audits of subsidiary financial statements, and quarterly financial reviews. The significant increase in audit fees is primarily the result of the costs to implement the requirements of Section 404 of the Sarbanes-Oxley Act of 2002.

Audit Related Fees were for assurance and related services pertaining to employee benefit plan audits and accounting consultations.

Tax Fees were for services related to tax compliance, tax advice and tax planning.

All Other Fees were for services rendered for an IT system pre-implementation review in 2004 and support of litigation in 2003.

Audit Committee Pre-Approval Policies and Procedures

The Committee s policy is to pre-approve all audit and permissible non-audit services provided by the independent auditor. During fiscal year 2004, no services were provided to us by PricewaterhouseCoopers LLP or any other accounting firm other than in accordance with the pre-approval policies and procedures described above.

Based on its review of the non-audit services provided by PricewaterhouseCoopers LLP, the committee believes that PricewaterhouseCoopers LLP s provision of such non-audit services is compatible with maintaining their independence.

The Committee also oversees our Ethics and Compliance Program, participates in the annual evaluation of our Compliance Officer and provides a detailed annual report to the Board on the progress of the Program and plans for future activities.

Members of the Audit/ Compliance Committee:

David H. Kelsey, Chairman	Linda Griego
Joseph J. Barclay	J. Fernando Niebla

13

Table of Contents

EXECUTIVE COMPENSATION AND OTHER MATTERS

Report of the Compensation Committee

The Compensation Committee is responsible for formulating our Board and executive compensation policy. The Committee reviews, adopts and administers incentive compensation plans applicable to executive officers and other senior management personnel, with the objective of providing both competitive and appropriate levels of compensation.

The Committee believes that a substantial portion of the annual compensation of each executive should be directly related to Granite s performance. In addition, compensation should link the long-term interests of executives and shareholders and should encourage career service by including stock ownership as an integral part of the compensation package.

Granite s compensation package includes salary and annual incentive compensation consisting of bonuses payable in cash and/or restricted stock. Following a review of officer salaries, the Compensation Committee recommended setting the salary of our Chief Executive Officer, William G. Dorey, at $300,000.

The Committee continued the Return on Net Assets (RONA)-based compensation plan in 2004 for corporate officers and middle managers. The Committee believes that using RONA as the key performance factor ties earnings performance to our asset growth and asset utilization, compared with the cost of capital, and that RONA is a superior measure of performance in an asset-heavy business. For the Branch and Heavy Construction Division officers, the Committee assigned performance measures both at the Corporate and Division levels. Thirty percent of their incentive compensation was determined in 2004 by Corporate RONA, while 70% of their incentive compensation was based on the profitability of their respective Divisions.

The 1999 Amended and Restated Equity Incentive Plan is designed so that when bonuses exceed a predetermined cap on total annual cash compensation, the amount in excess of the cap is converted into long-term compensation in the form of restricted stock. Restricted stock limits have also been established by the Committee to fix total compensation limits at appropriate levels. The Committee determined the appropriate participation of officers as well as the performance threshold, cash caps, and restricted stock limits for all officers in 2004. Mr. Dorey s cash limit was set in 2004 at $600,000 with a total compensation limit at $1,200,000.

The Committee commissioned the services of an independent compensation consultant to analyze the compensation levels of senior executives with similar responsibilities in comparable companies. Using three-factor regression analysis based on revenue autonomy and levels from the parent CEO, the consultants developed a predicted base and a predicted total compensation for Granite s CEO and its general managers. The analysis was drawn from comparison with six similar heavy civil construction companies as well as 25 privately-held related construction companies and 14 publicly-held related construction companies.

Based on this analysis, the Committee believes Mr. Dorey s compensation for the year ended December 31, 2004 appropriately reflects Granite s RONA performance and was in the general range of compensation for chief executive officers with like responsibilities in comparable companies achieving similar financial results.

Section 162(m) of the Internal Revenue Code restricts deductibility of executive compensation paid to Granite s chief executive officer and each of the four other most highly compensated executive officers holding office at the end of any year to the extent such compensation exceeds $1,000,000 for any of such officers in any year and does not qualify for an exception under Section 162(m) or related regulations. The Committee s policy is to qualify its executive compensation for deductibility under applicable tax laws to the extent practicable.

Members of the Compensation Committee:

Joseph J. Barclay, Chairman	Rebecca A. McDonald
David H. Kelsey	George B. Searle

Table of Contents

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee as of the date of this proxy statement is or has been an officer of Granite, nor is any member currently an employee of Granite. Director Searle s son, George G. Searle, is an area manager with Granite s subsidiary, Granite Halmar Construction Company, Inc. During fiscal year 2004, he received $140,000 in salary, a bonus of $66,469 and a Profit Sharing cash bonus of $8,980.

Employment Agreements and Change of Control Arrangements

Granite is a party to employment agreements with William G. Dorey, William E. Barton, Mark E. Boitano, Patrick M. Costanzo *(Refer to Page 17, Footnote 5)* and James H. Roberts. These agreements provide that if the individual s employment with Granite Construction Incorporated is terminated for certain reasons within two and one-half years after a change in control of Granite Construction Incorporated, the individual will be entitled to receive payments of up to three times the average gross annual compensation paid to the individual over the five years prior to the change in control. A change in control is defined as (i) a merger, consolidation or acquisition of Granite Construction Incorporated where the shareholders of Granite Construction Incorporated do not retain a majority interest in the surviving or acquiring corporation; (ii) the transfer of substantially all of our assets to a corporation not controlled by Granite Construction Incorporated or its shareholders; or (iii) the transfer to affiliated persons of more than 30% of the voting stock of Granite Construction Incorporated, leading to a change of a majority of the members of the Board of Directors.

Also in the event of a change in control, options and grants of restricted stock awarded under the 1990 Omnibus Stock and Incentive Plan and the Amended and Restated 1999 Equity Incentive Plan are affected. These plans provide that the surviving successor, or acquiring corporation shall either assume outstanding options and restricted stock awards or substitute new options and restricted stock awards having an equivalent value. In the event that does not occur, our Board of Directors shall provide that any option and/or restricted stock awards otherwise unexercisable and/or unvested shall be immediately exercisable and vested in full. The plans further provide that if such newly exercisable options have not been exercised as of the date of the change in control, they shall terminate effective as of the date of the change in control.

Table of Contents

Compensation of Executive Officers

The following table sets forth a summary of compensation of our Chief Executive Officer and our four other most highly compensated executive officers for the years ended December 31, 2002, 2003 and 2004:

Summary Compensation Table

		Annual Compensation[1]		Long Term Compensation Awards	
Name and Principal Position	**Year**	**Salary ($)**	**Bonus[2] ($)**	**Restricted Stock Awards[3] ($)**	**All Other Compen-sation[4] ($)**
William G. Dorey	2004	300,000	300,000	203,600	33,600
President and Chief Executive	2003	240,000	240,000	330,176	43,429
Officer	2002	240,000	240,000	365,316	44,852
Mark E. Boitano	2004	240,000	240,000	244,831	33,600
Executive Vice President and Chief	2003	200,000	280,000	250,058	50,745
Operating Officer	2002	200,000	280,000	296,362	47,383
William E. Barton	2004	210,000	168,000	85,512	33,600
Senior Vice President and Chief	2003	210,000	168,000	173,342	50,745
Financial Officer	2002	210,000	168,000	185,815	47,344
Patrick M. Costanzo[5]	2004	200,000	120,540	-	196,916
Senior Vice President and Manager,	2003	200,000	433,675	-	44,919
Heavy Construction Division	2002	200,000	515,615	-	43,061
James H. Roberts[6]	2004	200,000	240,830	229,001	28,881
Senior Vice President and Branch	2003	-	-	-	-
Division Manager	2002	-	-	-	-

(1) For the year ended December 31, 2004, compensation deferred at the election of the officer under the Key Management Deferred Compensation Plan for Messrs. Dorey, Boitano, Barton, Costanzo and Roberts was \$6,000, \$7,000, \$7,000, \$108,099 and \$5,000, respectively. For the year ended December 31, 2003, such deferred compensation for Messrs. Dorey, Boitano, Barton and Costanzo amounted to \$150,000, \$7,000, \$7,000 and \$411,159, respectively, while for the year ended December 31, 2002, such deferred compensation was \$225,669, \$7,000, \$7,000 and \$492,214, respectively.

(2) Amounts include cash bonuses earned in the current year but paid in the following year. Amounts do not include cash bonuses paid in the current year but earned in the previous year. Beginning with the year ended December 31, 2000, Mr. Boitano and Mr. Roberts participated in a bonus banking system whereby the calculated commission, based on the Branch Division operating results that was in excess of their allowed annual commissions would be banked for future distribution either in a year when the calculated commissions fall below

their allowed maximum or upon retirement. This provision of the Branch Division Plan was discontinued beginning for the 2003 Plan year. At December 31, 2004, Mr. Boitano s remaining bonus bank balance to distribute was $31,139 and Mr. Roberts balance was $45,160. Amounts include such bonuses.

(3) The amount of awards for each year is based on the closing price of our common stock on the grant date multiplied by the number of shares awarded for the year. Such awards are earned in the current year but issued as stock in the following year. The aggregate number of restricted shares outstanding at December 31, 2004 for Messrs. Dorey, Boitano, Barton, Costanzo and Roberts were 60,841, 43,754, 31,265, none; and 59,710, respectively, with an aggregate market value for those same officers of $1,618,371, $1,163,856, $831,649, $0 and $1,588,286, respectively, based on a closing price of $26.60 at December 31, 2004. The number of shares and values for each officer at December 31, 2004 exclude the shares issued in March 2005 for services performed in 2004, which appear in the table as 2004 compensation. Dividends are paid on restricted shares on the same basis as all other outstanding shares.

Table of Contents

Footnotes continued from previous page

In 1999, restricted stock agreements were amended to change the vesting for all participants who had attained retirement age as defined by the Plan to conform to the requirements under Internal Revenue Code Section 83. As a result of these amendments, Mr. Costanzo s shares were 100% vested in 2000, and he did not earn restricted stock for the years ended December 31, 2004, 2003 or 2002. The following tables show the total number of shares awarded Messrs. Dorey, Boitano, Barton and Roberts in grant years 2004, 2003 and 2002 and the vesting schedules for those shares.

WILLIAM DOREY

Grant Date	Total Shares Awarded	2003 Vesting	2004 Vesting	2005 Vesting	2006 Vesting	2007 Vesting
2004	14,056	-	-	2,811	11,245	-
2003	23,569	-	4,714	4,714	14,141	-
2002	19,934	3,987	3,987	3,987	7,973	-
Totals	**57,559**	**3,987**	**8,701**	**11,512**	**33,359**	**-**

MARK E. BOITANO

Grant Date	Total Shares Awarded	2004 Vesting	2005 Vesting	2006 Vesting	2007 Vesting	2008 Vesting
2004	10,645	-	2,129	2,129	2,129	4,258
2003	19,120	4,398	3,250	3,824	7,648	-
2002	13,289	5,714	2,259	5,316	-	-
Totals	**43,054**	**10,112**	**7,638**	**11,269**	**9,777**	**4,258**

WILLIAM E. BARTON

Grant Date	Total Shares Awarded	2003 Vesting	2004 Vesting	2005 Vesting	2006 Vesting	2007 Vesting
2004	7,379	-	-	1,476	5,903	-
2003	11,988	-	2,398	2,398	7,192	-
2002	10,456	2,093	2,093	2,093	4,186	-
Totals	**29,832**	**2,093**	**4,491**	**5,967**	**17,281**	**-**

JAMES H. ROBERTS

Grant Date	Total Shares Awarded	2005 Vesting	2006 Vesting	2007 Vesting	2008 Vesting	2009 Vesting
2004	8,244	-	-	-	-	8,224
2003	14,805	-	-	-	14,805	-
2002	10,899	-	-	10,899	-	-

Totals	**33,928**	**-**	**-**	**10,899**	**14,805**	**8,244**

(4) Amounts include above-market earnings on deferred compensation accrued by Messrs. Dorey, Boitano, Barton, Costanzo and Roberts for $0, $0, $0, $170,149 and $0, respectively, during the year ended 2004; $1,215, $149, $134, $69,971 and $92, respectively, during the year ended 2003; and $2,367, $315, $276, $0 and $206, respectively, in 2002. The remaining amounts represent Granite s contributions to the Employee Stock Ownership Plan and to the Profit Sharing and 401(K) Plan that were earned during the current year, of which a portion was allocated in the following year. For the year ended December 31, 2004, contributions deferred at the election of the officer under the Key Management Deferred Compensation Plan for Messrs. Dorey, Boitano, Barton, Costanzo and Roberts: $12,233, $12,233, $12,233, $9,825 and $0, respectively. For the year ended December 31, 2003 such deferred contributions for Messrs. Dorey, Boitano, Barton and Costanzo amounted to $11,451, $14,586, $14,586 and $12,069, respectively, while for the year ended December 31, 2002 such deferred contributions were $10,021, $12,023, $12,023 and $10,286, respectively.

(5) On December 31, 2004, Mr. Costanzo retired from the Company and his position as Senior Vice President and Manager, Heavy Construction Division.

(6) Mr. Roberts was promoted to the position of Senior Vice President on May 24, 2004.

Table of Contents

Director Compensation

In 2004, non-employee directors were entitled to an annual retainer of $50,000, payable quarterly, for serving on the Board and were entitled to a fee of $1,000 for each Board of Directors meeting they attended in person or $750 for each Board meeting attended by telephone. In addition, for committee meetings not held in conjunction with a regular Board meeting, non-employee directors were entitled to a fee of $750 for each meeting of a committee of the Board of Directors they attended in person or $500 for each committee meeting attended by telephone (except that no fees are paid for attendance of Executive Committee meetings). For each meeting of a committee of the Board of Directors held in conjunction with a regular Board meeting, non-employee directors were entitled to a fee of $600 if they attended in person and $500 if they attended by telephone (excluding Executive Committee meetings, for which no fee is paid). The Chairman of each committee of the Board of Directors received an additional $3,000 annual retainer, payable quarterly (excluding Executive Committee Chairman). Audit committee members received an additional $1,000 per year, payable quarterly.

The Amended and Restated 1999 Equity Incentive Plan provides that each non-employee director must elect to receive all or a portion equal to at least 50% of the value of all compensation for services as a director in the form of a stock-based director fee award in lieu of receipt of cash. Each non-employee director must elect, generally prior to the start of the applicable calendar year, to receive director fee awards during such year in the form of either an Option Payment or a Stock Units Payment. Option Payments and Stock Units Payments are granted automatically on the last day of each calendar quarter during the year to which the election pertains.

A director electing to receive an Option Payment will be granted a non-statutory stock option for a number of shares of common stock determined by dividing the Elected Quarterly Compensation by an amount equal to 50% of the average closing price of a share of our common stock on the New York Stock Exchange on the ten trading days preceding the date of grant and having an exercise price per share equal to 50% of such average closing price.

A director electing to receive a Stock Units Payment will be granted an award for a number of stock units determined by dividing the Elected Quarterly Compensation by an amount equal to the average closing price of a share of our common stock on the New York Stock Exchange on the ten trading days preceding the date of grant. A stock unit is an unfunded bookkeeping entry representing a right to receive one share of our common stock in accordance with the terms and conditions of the Stock Units Award. Non-employee directors are not required to pay any additional cash consideration in connection with the settlement of the Stock Units Award.

Retired directors must exercise their options within three (3) years following their retirement, but in no case later than the 10-year expiration date for such options.

EQUITY COMPENSATION PLAN INFORMATION

The following table contains information as of December 31, 2004 regarding stock authorized for issuance under the Granite Construction Incorporated Amended and Restated 1999 Equity Incentive Plan:

Equity Compensation Plan Information

Plan category	Stock to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Stock remaining available for future issuance under equity compensation plans (excluding stock reflected in column (a)) (c)
Equity compensation plans approved by shareholders	86,768	$9.96	2,467,545
Total	86,768	$9.96	2,467,545

Table of Contents

COMPARISON OF CUMULATIVE TOTAL RETURN

Set forth below is a line graph comparing the annual percentage change in the cumulative total return on our common stock with the cumulative total return of the S&P 500 and the Dow Jones Heavy Construction Industry Index (EMCOR Group Inc., Fluor Corp., Granite Construction Incorporated, Jacobs Engineering Group Inc., Quanta Services Inc., and Shaw Group Inc.) for the period commencing on December 31, 1999, and ending on December 31, 2004.

The graph assumes $100 invested on December 31, 1999 in our common stock at $18.4375(1) per share, and in the S & P 500 Index, and Dow Jones Construction Industry Index. The Total Return also assumes reinvestment of dividends.

Comparison of 5-Year Cumulative Total Return
among Granite Construction Incorporated, the S&P Index
and the Dow Jones US Heavy Construction Index

	Dec. 1999	Dec. 2000	Dec. 2001	Dec. 2002	Dec. 2003	Dec. 2004
Granite Construction Incorporated	100.00	159.74	202.20	132.29	204.78	236.01
S&P 500	100.00	90.89	80.09	62.39	80.29	89.02
DJ Heavy Construction	100.00	117.11	123.00	103.16	140.72	170.64

(1) Performance graph closing prices and dividends are adjusted for stock splits and stock dividends.

RATIFICATION OF INDEPENDENT AUDITOR

The Audit/ Compliance Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP to serve as independent auditor to audit our financial statements for 2005. PricewaterhouseCoopers LLP and its predecessor, Coopers & Lybrand, have acted in such capacity since the appointment of Coopers & Lybrand for fiscal 1982. A representative of PricewaterhouseCoopers LLP will be present at the annual meeting, will be given the opportunity to make a statement if the representative desires and will be available to respond to appropriate questions. The affirmative vote of a majority of the votes cast at the annual meeting of shareholders at which a quorum is present and voting either in person or by proxy is required for approval of this proposal. Votes for and against, abstentions and broker non-votes will each be counted as present for purposes of determining a quorum. Neither abstention nor broker non-votes will be counted as having been cast affirmatively or negatively on the proposal.

In the event that ratification by the shareholders of the appointment of PricewaterhouseCoopers LLP as our independent auditor is not obtained, the Audit/ Compliance Committee will reconsider said appointment.

The Board of Directors unanimously recommends a vote FOR this proposal.

SHAREHOLDER PROPOSALS TO BE PRESENTED AT 2006 ANNUAL MEETING

Under our Bylaws, nominations for election to the Board of Directors and proposals for other business to be transacted by the shareholders at an annual meeting of shareholders may be made by a shareholder only if such shareholder: (i) is entitled to vote at the meeting; (ii) has given the required notice; and (iii) was a shareholder of record at the time of giving the required notice. In addition, business other than a nomination for election to the Board must be a proper matter for shareholder action under the Delaware General Corporation Law.

The required notice: (i) must be in writing; (ii) must contain information specified in the Bylaws; and (iii) must be received at our principal executive offices not less than 120 days prior to the first anniversary of the date the proxy statement for the preceding year s annual meeting of shareholders was released to shareholders. If, however, no meeting was held in the previous year, the date of the annual meeting is changed by more than 30 days from the previous year, or in the event of a special meeting, the notice, to be timely, must be delivered by the close of business on the tenth day following the day on which notice of the date of the meeting was mailed or public announcement of the date of the meeting was made.

Separate and apart from the required notice described in the preceding paragraphs, the rules promulgated by the SEC under the Securities Exchange Act of 1934 entitle a shareholder to require us to include the shareholder proposal in the proxy materials distributed by Granite. However, those SEC rules: (i) do not require us to include in our proxy materials any nomination for election to the Board (or any other office); (ii) impose other limitations on the content of a shareholder proposal; and (iii) contain eligibility, timeliness, and other requirements (including the requirement that the proponent must have continuously held at least $2,000 in market value or 1% of our common stock for at least one year before the proposal is submitted by the proponent).

To be considered timely under our Bylaw provisions and the SEC rules in connection with the proxy materials to be distributed with respect to the 2006 annual meeting, shareholder proposals must be submitted to our Secretary at Granite s principal executive offices not later than December 16, 2005.

Table of Contents

TRANSACTION OF OTHER BUSINESS

As of the date of this proxy statement, the only business that management intends to present or knows that others will present at the meeting has been included within this proxy statement. If any other matter or matters are properly brought before the meeting, or any adjournment thereof, it is the intention of the persons named in the accompanying form of proxy card to vote the proxy card on such matters in accordance with their best judgment.

Michael Futch
Vice President, General Counsel and Secretary

Dated: April 15, 2005

Table of Contents

x **Please mark votes as in this example**

PROXY
GRANITE CONSTRUCTION INCORPORATED
Proxy for Annual Meeting of Shareholders
Solicited by the Board of Directors

The undersigned hereby appoints William G. Dorey and William E. Barton and each of them with full power of substitution to represent and to vote all the shares of stock in GRANITE CONSTRUCTION INCORPORATED which the undersigned is entitled to vote at Granite s Annual Meeting of Shareholders to be held at the Embassy Suites, 1441 Canyon Del Rey, Seaside, California on May 23, 2005, at 10:30 a.m., local time, and at any adjournment thereof (1) as specified upon the proposals listed below and as more particularly described in Granite s Proxy Statement dated April 15, 2005, receipt of which is hereby acknowledged, and (2) in their discretion upon such other matters as may properly come before the meeting. The undersigned hereby acknowledges receipt of Granite s 2004 Annual Report.

Please date and sign your name exactly as it appears on the stock certificate representing your shares. Date

Shareholder sign above **Co-holder (if any) sign above**

A vote **FOR** proposals 1, 2 & 3 is recommended by the Board of Directors.	**FOR** all nominees	**WITHHOLD AUTHORITY** to vote for all nominees listed below	**FOR** all nominees listed below except as marked below
1. ELECTION OF DIRECTORS	o	o	o

To elect David H. Watts, J. Fernando Niebla and Gary M. Cusumano as directors to hold office for a three-year term and until their respective successors are elected and have qualified.

(Instruction: To withhold authority to vote for any individual nominee, strike a line through the nominee s name below.)
Nominees: David H. Watts, J. Fernando Niebla, Gary M. Cusumano

	FOR	**AGAINST**

		FOR	AGAINST	ABSTAIN
2.	To ratify the directorship of William H. Powell appointed by the Board on July 22, 2004.	o	o	
3.	To ratify the appointment by Granite s Audit/Compliance Committee of Pricewaterhouse Coopers LLP as Granite s independent auditor for the fiscal year ending December 31, 2005.	o	o	o

4. With discretionary authority, upon such other matters as may properly come before the meeting. The persons making this solicitation know at this time of no other matters to be presented at the meeting.

The shares represented hereby shall be voted as specified. **If no specification is made, such shares will be voted *in favor of* Proposals 1, 2 & 3**

IMPORTANT: PLEASE DATE, SIGN AND MAIL PROMPTLY THIS PROXY IN THE ENCLOSED RETURN ENVELOPE TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE MEETING. If you attend the meeting, you may vote in person should you wish to do so even though you have already sent in your Proxy.

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p **Detach above card, sign, date and mail in postage paid envelope provided.** p

GRANITE CONSTRUCTION INCORPORATED

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND MAY BE REVOKED BEFORE IT IS VOTED.

PLEASE ACT PROMPTLY
SIGN, DATE & MAIL YOUR PROXY CARD TODAY

IF YOUR ADDRESS HAS CHANGED, PLEASE CORRECT THE ADDRESS IN THE SPACE PROVIDED BELOW AND RETURN THIS PORTION WITH THE PROXY IN THE ENVELOPE PROVIDED.

Table of Contents

x **Please mark votes as in this example**

PROXY
GRANITE CONSTRUCTION INCORPORATED
Allocated Shares Voting Directive Card
for Annual Meeting of Shareholders

The undersigned hereby directs BNY Western Trust Company as Trustee of the GRANITE CONSTRUCTION Employee Stock Ownership Plan (the Plan) to vote all of the allocated shares of stock of GRANITE CONSTRUCTION INCORPORATED beneficially held for the undersigned by the Trust at Granite s Annual Meeting of Shareholders to be held at the Embassy Suites, 1441 Canyon Del Rey, Seaside, California on May 23, 2005, at 10:30 a.m., local time, and at any adjournment thereof (1) as specified upon the proposals listed below and as more particularly described in Granite s Proxy Statement dated April 15, 2005, receipt of which is hereby acknowledged, and (2) to grant to William G. Dorey and William E. Barton the discretion to vote said shares upon such other matters as may properly come before the meeting. The undersigned hereby acknowledges receipt of Granite s 2004 Annual Report.

Please date and sign your name exactly as it appears on the stock certificate representing your shares. Date

Shareholder sign above **Co-holder (if any) sign above**

A vote **FOR** proposals 1, 2 & 3 is recommended by the Board of Directors.	**FOR** all nominees	**WITHHOLD AUTHORITY** to vote for all nominees listed below	**FOR** all nominees listed below except as marked below
1. ELECTION OF DIRECTORS	o	o	o

To elect David H. Watts, J. Fernando Niebla and Gary M. Cusumano as directors to hold office for a three-year term and until their respective successors are elected and have qualified.

(Instruction: To withhold authority to vote for any individual nominee, strike a line through the nominee s name below.)
Nominees: David H. Watts, J. Fernando Niebla, Gary M. Cusumano

		FOR	AGAINST	
2.	To ratify the directorship of William H. Powell appointed by the Board on July 22, 2004.	o	o	
		FOR	**AGAINST**	**ABSTAIN**
3.	To ratify the appointment by	o	o	o

Granite s Audit/Compliance Committee of Pricewaterhouse Coopers LLP as Granite s independent auditor for the fiscal year ending December 31, 2005.

4. To grant discretionary authority to William G. Dorey and William E. Barton to vote upon such other matters as may properly come before the meeting. The persons that have made this solicitation know at this time of no other matters to be presented at the meeting.

The shares represented hereby shall be voted as specified. **If no specification is made, I authorize the Plan s Committee to direct the Trustee how to vote these shares.**

IMPORTANT: PLEASE DATE, SIGN AND MAIL PROMPTLY THIS PROXY IN THE ENCLOSED RETURN ENVELOPE TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE MEETING. If you attend the meeting, you may vote in person should you wish to do so even though you have already sent in your Proxy.

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p **Detach above card, sign, date and mail in postage paid envelope provided.** p

GRANITE CONSTRUCTION INCORPORATED

IMPORTANT: PLEASE SIGN, DATE AND MAIL PROMPTLY THE ALLOCATED SHARES VOTING DIRECTIVE CARD IN THE ENCLOSED RETURN ENVELOPE TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE MEETING. If you fail to return your voting directive card to the Trustee by May 19, 2005, you will be deemed to have authorized the Plan s Committee to direct the Trustee how to vote these shares. As a participant in the Granite Construction Employee Stock Ownership Plan (the Plan), you are entitled to vote your allocated portion of the shares of the common stock held in the Plan by the Trust. Your voting direction submitted to the BNY Western Trust Company, Trustee of the Plan, will be confidential.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND MAY BE REVOKED BEFORE IT IS VOTED.

PLEASE ACT PROMPTLY
SIGN, DATE & MAIL YOUR PROXY CARD TODAY

IF YOUR ADDRESS HAS CHANGED, PLEASE CORRECT THE ADDRESS IN THE SPACE PROVIDED BELOW AND RETURN THIS PORTION WITH THE PROXY IN THE ENVELOPE PROVIDED.

Table of Contents

x **Please mark votes as in this example**

PROXY
GRANITE CONSTRUCTION INCORPORATED
Unallocated Shares Voting Directive Card
for Annual Meeting of Shareholders

The undersigned hereby directs BNY Western Trust Company as Trustee of the GRANITE CONSTRUCTION Employee Stock Ownership Plan (the Plan) to vote the undersigned participant s pro rata portion of the unallocated shares of stock of GRANITE CONSTRUCTION INCORPORATED held by the trust in accordance with the Plan at Granite s Annual Meeting of Shareholders to be held at the Embassy Suites, 1441 Canyon Del Rey, Seaside, California on May 23, 2005, at 10:30 a.m., local time, and at any adjournment thereof (1) as specified upon the proposals listed below and as more particularly described in Granite s Proxy Statement dated April 15, 2005, receipt of which is hereby acknowledged, and (2) to grant to William G. Dorey and William E. Barton the discretion to vote said shares upon such other matters as may properly come before the meeting. The undersigned hereby acknowledges receipt of Granite s 2004 Annual Report.

Please date and sign your name exactly as it appears on the stock certificate representing your shares. Date

Shareholder sign above **Co-holder (if any) sign above**

A vote **FOR** proposals 1, 2 & 3 is recommended by the Board of Directors.	**FOR** all nominees	**WITHHOLD AUTHORITY** to vote for all nominees listed below	**FOR** all nominees listed below except as marked below
1. ELECTION OF DIRECTORS	o	o	o

To elect David H. Watts, J. Fernando Niebla and Gary M. Cusumano as directors to hold office for a three-year term and until their respective successors are elected and have qualified.

(Instruction: To withhold authority to vote for any individual nominee, strike a line through the nominee s name below.)

Nominees: David H. Watts, J. Fernando Niebla, Gary M. Cusumano

		FOR	AGAINST
2.	To ratify the directorship of William H. Powell appointed by the Board on July 22, 2004.	o	o

		FOR	AGAINST	ABSTAIN
3.	To ratify the appointment by Granite s Audit/Compliance Committee of PricewaterhouseCoopers LLP as Granite s independent auditor for the fiscal year ending December 31, 2005.	o	o	o

4. To grant discretionary authority to William G. Dorey and William E. Barton to vote upon such other matters as may properly come before the meeting. The persons that have made this solicitation know at this time of no other matters to be presented at the meeting.

The shares represented hereby shall be voted as specified. **If no specification is made, I authorize the Plan s Committee to direct the Trustee how to vote these shares.**

IMPORTANT: PLEASE DATE, SIGN AND MAIL PROMPTLY THIS PROXY IN THE ENCLOSED RETURN ENVELOPE TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE MEETING. If you attend the meeting, you may vote in person should you wish to do so even though you have already sent in your Proxy.

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p **Detach above card, sign, date and mail in postage paid envelope provided.** p

GRANITE CONSTRUCTION INCORPORATED

IMPORTANT: PLEASE SIGN, DATE AND MAIL PROMPTLY THE UNALLOCATED SHARES VOTING DIRECTIVE CARD IN THE ENCLOSED RETURN ENVELOPE TO ASSURE THAT YOUR PRO RATA PORTION OF THE UNALLOCATED SHARES ARE REPRESENTED AT THE MEETING. If you fail to return your voting directive card to the Trustee by May 19, 2005, you will be deemed to have authorized the Plan s Committee to direct the Trustee how to vote these shares. As a participant in the Granite Construction Employee Stock Ownership Plan (the Plan), you are entitled to vote your pro rata portion of the unallocated shares of the common stock heldby the trust in accordance with the Plan. Your voting direction submitted to the BNY Western Trust Company, Trustee of the Plan, will be confidential.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND MAY BE REVOKED BEFORE IT IS VOTED.

PLEASE ACT PROMPTLY
SIGN, DATE & MAIL YOUR PROXY CARD TODAY

IF YOUR ADDRESS HAS CHANGED, PLEASE CORRECT THE ADDRESS IN THE SPACE PROVIDED BELOW AND RETURN THIS PORTION WITH THE PROXY IN THE ENVELOPE PROVIDED.

Table of Contents

GRANITE CONSTRUCTION INCORPORATED

Shares Voting Directive Card for Annual Meeting of Shareholders

The undersigned hereby directs Mercer Trust Company, as Trustee of the Granite Construction Retirement Savings Plan, to vote all the shares of stock in GRANITE CONSTRUCTION INCORPORATED (Granite) beneficially held for me by the Plan at Granite s Annual Meeting of Shareholders to be held at the Embassy Suites, 1441 Canyon Del Rey, Seaside, California on May 23, 2005, at 10:30 a.m., local time, and at any adjournment thereof (1) as specified upon the proposals listed on the reverse side of this card and as more particularly described in Granite s Proxy Statement dated April 15, 2005, receipt of which is hereby acknowledged, and (2) to grant to William G. Dorey and William E. Barton the discretion to vote said shares upon such other matters as may properly come before the meeting. The undersigned hereby acknowledges receipt of the Company s 2004 Annual Report.

Dated: ____________________, 2005

The shares represented here shall be voted as specified. IF NO SPECIFICATION IS MADE I AUTHORIZE THE PLAN S COMMITTEE TO DIRECT THE TRUSTEE HOW TO VOTE THESE SHARES.

Signature of Shareholder* *(Sign in the Box)*

*(Please sign your name exactly as it appears on the stock certificate representing your shares.)

IMPORTANT: PLEASE DATE, SIGN AND MAIL PROMPTLY THE ENCLOSED SHARES VOTING DIRECTIVE CARD IN THE ENCLOSED RETURN ENVELOPE TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE MEETING. If the Trustee has not received your voting directive card by **May 19, 2005**, the Plan s Committee will direct the Trustee how to vote these shares. As a participant in the Granite Construction Retirement Savings Plan (the Plan), you are entitled to vote your shares of the Common Stock held in the Plan. Your voting direction submitted to Mercer Trust Company, Trustee of the Plan, will be confidential.

Please fill in box(es) as shown using black or blue ink or number 2 pencil. x
PLEASE DO NOT USE FINE POINT PENS.

FOR all nominees	**WITHHOLD AUTHORITY** to vote for all nominees	**FOR** all nominees except as marked to the

A vote *FOR* Proposals 1, 2 & 3 is recommended by the Board of Directors:

			listed	left (SEE
1.	ELECTION OF DIRECTORS	at left	at left	INSTRUCTION)
	To elect, David H. Watts, J. Fernando Niebla and Gary M. Cusumano as directors to hold office for a three year term and until their respective successors are elected and have qualified.	¡	¡	¡
	(INSTRUCTION: To withhold authority to vote for any nominee, write the name(s) of the nominee(s) on the space provided above.)			
		FOR	**AGAINST**	
2.	To ratify the directorship of William H. Powell appointed by the Board on July 22, 2004.	¡	¡	
		FOR	**AGAINST**	**ABSTAIN**
3.	To ratify the appointment by Granite s Audit/Compliance Committee of PricewaterhouseCoopers LLP as Granite s independent auditor for the fiscal year ending December 31, 2005.	¡	¡	¡

4. To grant discretionary authority to William G. Dorey and William E. Barton to vote upon such other matters as may properly come before the meeting. The persons that have made this solicitation know at this time of no other matters to be presented at the meeting.

PLEASE SIGN ON REVERSE SIDE