

GRANITE CONSTRUCTION INC  
Form 10-Q  
July 31, 2007

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-Q**

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**For the quarterly period ended June 30, 2007**

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-12911

**GRANITE CONSTRUCTION INCORPORATED**

State of Incorporation:  
Delaware

I.R.S. Employer Identification Number:  
77-0239383

Corporate Administration:  
585 W. Beach Street  
Watsonville, California 95076  
(831) 724-1011

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.  
Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of July 20, 2007.

Class	Outstanding
Common Stock, \$0.01 par value	41,943,100 shares

---



Table of Contents

**Index**

PART I. FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Financial Statements (unaudited)</u> <u>Condensed Consolidated Balance Sheets as of June 30, 2007,</u> <u>December 31, 2006 and June 30, 2006</u> <u>Condensed Consolidated Statements of Income for the Three and</u> <u>Six Months Ended June 30, 2007 and 2006</u> <u>Condensed Consolidated Statements of Cash Flows for the Six</u> <u>Months Ended June 30, 2007 and 2006</u> <u>Notes to the Condensed Consolidated Financial Statements</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and</u> <u>Results of Operations</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>

PART II. OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>
<u>Item 1A.</u>	<u>Risk Factors</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>
<u>Item 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>
<u>Item 5.</u>	<u>Other Information</u>
<u>Item 6.</u>	<u>Exhibits</u>

SIGNATURES

EXHIBIT 3.2

EXHIBIT 31.1

EXHIBIT 31.2

EXHIBIT 32

Table of Contents

**PART I. FINANCIAL INFORMATION**

3

---

Table of Contents

## Item 1.

**FINANCIAL STATEMENTS (unaudited)**

**Granite Construction Incorporated**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited - in thousands, except share and per share data)

	<b>June 30, 2007</b>	<b>December 31, 2006</b>	<b>June 30, 2006</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 246,278	\$ 204,893	\$ 304,976
Short-term marketable securities	98,199	141,037	74,775
Accounts receivable, net	489,435	492,229	530,882
Costs and estimated earnings in excess of billings	39,710	15,797	32,882
Inventories	53,320	41,529	39,532
Real estate held for sale	54,722	55,888	