

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **July 16, 2007**

Great Lakes Dredge & Dock Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
Incorporation or Organization)

001-33225
(Commission File Number)

20-5336063
(I.R.S. Employer
Identification No.)

2122 York Road
Oak Brook, Illinois 60523
(Address of Principal Executive Offices)

(630) 574-3000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 — Entry into a Material Definitive Agreement

On July 16, 2007, Great Lakes Dredge & Dock Corporation (the "Company") entered into an amendment of its International Letter of Credit Agreement with Wells Fargo HSBC Trade Bank, N.A. ("Wells Fargo"), pursuant to which Wells Fargo provides an international letter of credit facility (the "LC Facility") to the Company. The amendment increases the LC Facility from \$20,000,000 to \$24,000,000 with this amendment. The amendment also amends the financial covenants and related definitions and certain other provisions to be consistent with the same terms and provisions in the Company's Credit Agreement dated as of June 12, 2007. The LC Facility will continue to be used for the issuance of standby letters of credit that will be issued in support of performance and advance payment guarantees on foreign contracts. The Company's obligations under the LC Facility continue to be guaranteed by the Company's subsidiary, Great Lakes Dredge & Dock Company, LLC ("Great Lakes LLC"), and secured by all of the accounts receivable generated by work performed by the Company or Great Lakes LLC outside of the United States and all inventory and general intangibles relating to such accounts receivable, and by Great Lakes LLC's interests in the joint ventures formed by Great Lakes LLC to perform the Durrat and Diyaar contracts in Bahrain. The Export-Import Bank of the United States ("Ex-Im Bank") guarantees, under Ex-Im Bank's Working Capital Guarantee Program, 90% of the obligations owing under the LC Facility. A copy of this amendment is attached to this report as Exhibit 10.1 and incorporated herein by reference.

Item 2.02 — Results of Operations and Financial Condition

On July 20, 2007 the Company issued an earnings release announcing preliminary financial results for the quarter and six months ended June 30, 2007. A copy of the earnings release is furnished as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 — Financial Statements and Exhibits

(d) Exhibits

The following exhibits are filed herewith:

- 10.1 First Amendment to International Letter of Credit Agreement dated July 16, 2007, by and among Great Lakes Dredge & Dock Corporation and Wells Fargo HSBC Trade Bank.
- 99.1 Earnings Release of Great Lakes Dredge & Dock Corporation dated July 20, 2007 announcing financial results for the quarter ended June 30, 2007.

3

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GREAT LAKES DREDGE & DOCK CORPORATION

Date: July 20, 2007

/s/ Deborah A. Wensel

Deborah A. Wensel
Senior Vice President
and Chief Financial Officer

4

EXHIBIT INDEX

<u>Number</u>	<u>Exhibit</u>
10.1	First Amendment to International Letter of Credit Agreement dated July 16, 2007, by and among Great Lakes Dredge & Dock Corporation and Wells Fargo HSBC Trade Bank.
99.1	Earnings Release of Great Lakes Dredge & Dock Corporation dated July 20, 2007 announcing preliminary financial results for the quarter ended June 30, 2007.

5

FIRST AMENDMENT
TO
INTERNATIONAL LETTER OF CREDIT AGREEMENT

THIS FIRST AMENDMENT TO INTERNATIONAL LETTER OF CREDIT AGREEMENT is dated as of the 16th day of July, 2007 (this “First Amendment”), and entered into among GREAT LAKES DREDGE & DOCK CORPORATION, a Delaware corporation (the “Borrower”), GREAT LAKES DREDGE & DOCK COMPANY, LLC, a Delaware limited liability company (the “Guarantor”), and WELLS FARGO HSBC TRADE BANK, N.A. (the “Bank”).

BACKGROUND:

- A. The Borrower, the Guarantor and Bank entered into an International Letter of Credit Agreement, dated as of September 29, 2006 (the “Agreement”). Unless specifically defined or redefined below, capitalized terms used herein shall have the meanings ascribed thereto in the Agreement.
- B. The Borrower has requested an amendment to the Agreement.
- C. The Bank hereby agrees to amend the Agreement, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants, conditions and agreements hereafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are all hereby acknowledged, the Borrower, the Guarantor and the Bank covenant and agree as follows:

SECTION 1. AMENDMENTS.

- (a) Amendment to Section 2.1(a). Section 2.1(a) of the Agreement is hereby amended and restated to read as follows:

(a) Upon the terms and conditions and relying upon the representations and warranties herein set forth, the Bank agrees to issue standby Letters of Credit for the account of the Borrower up to an aggregate face amount not exceeding at any one time outstanding the lesser of (i) \$24,000,000.00 (such amount, as it may be reduced from time to time pursuant to Section 3.6, being the Bank’s “Commitment”) or (ii) the International Borrowing Base.

- (b) Amendment to Section 4.1. Section 4.1 of the Agreement is hereby amended and restated to read as follows:

Facility Fee. The Borrower shall pay to the Bank (i) on July 16, 2007, a non-refundable facility fee in an amount equal to the product of (x) \$4,000,000 and (y) the Annual Facility Fee Percentage, prorated for the period of time from July 16, 2007, through the Loan Facility Anniversary Date, and (ii) on each Loan Facility Anniversary Date (other than the Maturity Date), a non-refundable facility fee in an amount equal to the product of (x) the Commitment and (y) the Annual Facility Fee Percentage.

- (c) Amendment to Section 9.5. Section 9.5 of the Agreement is hereby amended and restated to read as follows:

9.5 Financial Covenants

(a) Maximum Total Leverage. The Borrower and its consolidated Subsidiaries shall not permit the ratio (the “Total Leverage Ratio”) of (i) the aggregate unpaid principal amount of Total Funded Debt as of the last day of any Fiscal Quarter ending during the periods described below to (ii) Adjusted Consolidated EBITDA for the four (4) consecutive Fiscal Quarter period ending as of such date, to exceed the corresponding ratio set forth below opposite such period:

<u>Period</u>	<u>Ratio</u>
July 16, 2007 through and including September 30, 2008	6.00 to 1.00
October 1, 2008 through and including September 30, 2009	5.50 to 1.00
October 1, 2009 and thereafter	5.00 to 1.00

(b) Interest Coverage Ratio. The Borrower and its consolidated Subsidiaries shall not permit the ratio (the “Interest Coverage Ratio”) of (i) Adjusted Consolidated EBITDA for any four (4) consecutive Fiscal Quarter period ending as of the last day of any Fiscal Quarter ending during the periods described below to (ii) Interest Expense for such period ending as of such date, to be less than the corresponding ratio set forth below opposite such period:

<u>Period</u>	<u>Ratio</u>
July 16, 2007 through and including December 31, 2008	1.75 to 1.00
January 1, 2009 and thereafter	2.00 to 1.00

- (d) Amendment to Section 10.1(n). Section 10.1(n) of the Agreement is hereby amended and restated to read as follows:

(n) Change of Control. A change in control pursuant to Section 7.1(j) (or such comparable section) of the Domestic Credit Agreement shall occur; or

(e) Amendments to Exhibit “A” of the Agreement. (i) The following definitions in Exhibit “A” of the Agreement are hereby amended and restated in their entirety, to read as follows:

“Adjusted Consolidated EBITDA” means EBITDA adjusted as required or permitted by Regulation S-X of the 1933 Act, but in any event in a manner consistent with the Borrower’s applicable filings submitted with the Securities and Exchange Commission.

“Domestic Credit Agreement” shall mean the Credit Agreement dated as of June 12, 2007, among the Borrower, the other Loan Parties from time to time party thereto, the financial institutions from time to time party thereto and LaSalle Bank National Association, as Administrative Agent, Swing Line Lender and an Issuing Lender, as the same may be amended, restated, supplemented, modified, refunded, refinanced or replaced, in whole or in part, from time to time.

“Domestic Lenders” shall mean LaSalle Bank National Association, as administrative agent, and other agents, arrangers and lenders now or hereafter party to the Domestic Credit Agreement.

“EBITDA” means, with respect to any period, as determined in accordance with GAAP, the sum of the amounts for such period of Net Income, (a) plus, without duplication and to the extent reflected as a charge in the consolidated statement of such Net Income for such period: (i) depreciation, depletion and amortization expense, (ii) federal, state, local and foreign income taxes, (iii) Interest Expense, (iv) transaction fees and expenses incurred in connection with the Transactions (as defined in the Domestic Credit Agreement) to the extent not capitalized and to the extent not exceeding in the aggregate \$3,000,000, (v) non-cash charges and losses (excluding any such non-cash charges or losses to the extent (x) there were cash charges with respect to such charges and losses in past accounting periods or (y) there is a reasonable expectation that there will be cash charges with respect to such charges and losses in future accounting periods), (vi) any amounts included in the calculation of Net Income for amortization or non-cash charges for the write-off or impairment of goodwill, intangibles or other purchase accounting adjustments related to the accounting for the Transactions or other acquisitions under GAAP (including Financial Accounting Standards No. 141 and 142), (vii) fees and expenses incurred in connection with the Bonding Agreement (as defined in the Domestic Credit Agreement) and the Equipment Financing Debt (as defined in the Domestic Credit Agreement), (viii) Net Income attributable to the minority equity interest in NASDI (as defined in the Domestic Credit Agreement) that is not

3

owned by the Borrower to the extent the Net Income in respect of such minority equity interest is received by the Borrower and (ix) transaction fees and expenses incurred in connection with the acquisition of the vessels *Ohio* and *Terrapin Island* to the extent not capitalized, and (b) minus, without duplication, (i) non-cash gains (excluding any such non-cash gains to the extent (x) there were cash gains with respect to such gains in past accounting periods or (y) there is a reasonable expectation that there will be cash gains with respect to such gains in future accounting periods) and (ii) Net Income attributable to the minority equity interest in NASDI that is not owned, directly or indirectly, by the Borrower to the extent the Net Income in respect of such minority equity interest is distributed to the holder or holders of such minority equity interest and (c) plus, without duplication, cash dividends received by the Borrower or any Subsidiary from Amboy Aggregates, a New Jersey joint venture, and any other equity joint ventures.

“GAAP” means generally accepted accounting principles set forth in the rules, regulations, statements, opinions and pronouncements of the American Institute of Certified Public Accountants and of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), except as provided in the definitions of “Debt” and “Interest Expense” in respect of the treatment of Capital Stock of the Borrower pursuant to Statement of Financial Accounting Standards No. 150 (“FAS 150”), which, subject to Section 1.3, are applicable to the circumstances as of the date of determination.

“Interest Expense” means, for any Fiscal Quarter, the aggregate consolidated interest expense (net of interest income) of the Borrower and its consolidated Subsidiaries for such Fiscal Quarter, as determined in accordance with GAAP, including (i) Non-Use Fees (as defined in the Domestic Credit Agreement) paid or payable during such Fiscal Quarter, (ii) all other fees paid or payable with respect to the issuance or maintenance of any Guaranty or contingent Debt (including Letters of Credit (as defined in the Domestic Credit Agreement) but excluding fees paid under the Bonding Agreement (as defined in the Domestic Credit Agreement)), which, in accordance with GAAP, would be included as interest expense, (iii) net costs or benefits under any Rate Protection Agreement (excluding (A) any gain or loss recognized under GAAP resulting from the mark to market valuation of any Rate Protection Agreement and (B) the costs of any commodity hedging transaction or foreign currency hedging transaction) and (iv) the portion of any payments made in respect of Capitalized Rentals of the Borrower and its consolidated Subsidiaries allocable to interest expense, but excluding any amortization

4

of costs and expenses incurred in connection with, and relating to, this Agreement or other financings permitted by this Agreement. Notwithstanding the foregoing, “Interest Expense” shall not include (a) any non-cash dividends or other non-cash payments in respect of any Capital Stock of the Borrower that is not included in the definition of “Debt” pursuant to the last sentence of such definition or (b) the positive or negative mark to market value of any interest rate hedging transaction.

“Maturity Date” shall mean September 29, 2009.

“Note” shall mean the Amended and Restated International Revolving Note executed by the Borrower, as of July 16, 2007, and payable to the Bank, in the original principal amount of Twenty-Four Million and No/100 Dollars (\$24,000,000.00) and each renewal, increase, extension, amendment, replacement, modification or other re-arrangement thereof.

“Restricted Payments” means (i) any dividend or other distribution on account of any shares of any class of Capital Stock of the Borrower or any Subsidiary of the Borrower that is not a wholly-owned Subsidiary of the Borrower (including, without limitation, any class of preferred stock) now or hereafter outstanding (except a dividend payable solely in shares or any warrants, options or other rights with respect thereto or rights to acquire shares, of common stock of the Borrower or any Subsidiary of the Borrower), (ii) any redemption, retirement, repurchase, sinking fund or similar payment, purchase or other acquisition for value of any shares of any class of Capital Stock of the Borrower or any Subsidiary of the Borrower that is not a wholly-owned Subsidiary of the Borrower now or hereafter outstanding or any warrants, options or other rights with respect thereto, (iii) any voluntary or mandatory redemption, repurchase, retirement, sinking fund payment or other payment of principal with respect to the Note Indenture Obligations (as defined in the Domestic Credit Agreement), or any voluntary payment or other prepayment of interest with respect to the Note Indenture Obligations, except in each case in connection with a Permitted Note Refinancing (as defined in the Domestic Credit Agreement) or (iv) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of any outstanding warrants, options or other rights to acquire shares of any class of Capital Stock of the Borrower or any of its Subsidiaries.

(ii) The definition of “Debt” is hereby amended, by deleting the last sentence therefrom, and substituting *in lieu* the following:

For the avoidance of doubt and notwithstanding the requirements of GAAP, Capital Stock issued by Borrower hereafter shall not constitute Debt (including for the purpose of the covenants in Section 9.5) so long as

5

such Capital Stock does not require any cash payments or dividends thereon or require any mandatory redemption or repurchase prior to the date one year after the maturity of the Obligations (as defined in the Domestic Credit Agreement).

(iii) The following definitions in Exhibit “A” of the Agreement are hereby deleted in their entirety: Base Capital Expenditures Amount, Capital Expenditures, Holdings, Senior Debt and Senior Leverage Ratio.

(f) All references in the Agreement to “Holdings” are hereby deleted.

(g) The International Revolving Note, in the form of Exhibit B to the Agreement, is hereby amended to be in the form of Exhibit B to this First Amendment.

SECTION 2. REPRESENTATIONS AND WARRANTIES TRUE; NO EVENT OF DEFAULT. By its execution and delivery hereof, the Borrower represents and warrants that, as of the date hereof:

(a) (i) the Borrower has all requisite power and authority to execute and deliver this First Amendment, (ii) this First Amendment has been duly executed and delivered by the Borrower, and (iii) this First Amendment and the Agreement, as amended hereby, constitute valid and legally binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as limited by Debtor Laws;

(b) there exists no Event of Default or Default under the Agreement both before and after giving effect to this First Amendment;

(c) the representations and warranties set forth in the Agreement and other International Loan Documents are true and correct in all material respects on the date hereof both before and after giving effect to this First Amendment, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date;

(d) the Agreement, as amended hereby, and the other International Loan Documents remain in full force and effect; and

(e) neither the execution, delivery and performance of this First Amendment or the Agreement, as amended hereby, nor the consummation of any transactions contemplated herein or therein, will (a) contravene the terms of the Organization Documents of the Borrower, (b) violate any Governmental Requirement or (c) conflict with any Obligation to which the Borrower is a party; except in the case of clauses (b) and (c) above to the extent that such conflict could not reasonably be expected to have a Material Adverse Effect.

6

SECTION 3. CONDITIONS TO EFFECTIVENESS. All provisions of this First Amendment shall be effective upon receipt by the Bank of executed signature pages from the Borrower, the Guarantor and the Bank.

SECTION 4. ACKNOWLEDGEMENT AND AGREEMENT OF GUARANTOR. Guarantor hereby (i) consents to the terms and execution hereof; (ii) reaffirms its obligations to the Bank pursuant to the terms of its Guaranty; and (iii) acknowledges that the Bank may amend, restate, extend, renew or otherwise modify the Agreement and any indebtedness or agreement of the Borrower, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the Guarantor and without impairing the liability of the Guarantor under its Guaranty for all of the Borrower’s present and future indebtedness to the Bank.

SECTION 5. REFERENCE TO THE AGREEMENT.

(a) Upon the effectiveness of this First Amendment, each reference in the Agreement to “this Agreement”, “hereunder”, or words of like import shall mean and be a reference to the Agreement, as affected and amended hereby.

(b) The Agreement, as amended by the amendments referred to above, shall remain in full force and effect and is hereby ratified and confirmed.

SECTION 6. COSTS, EXPENSES AND TAXES. The Borrower agrees to pay all reasonable out-of-pocket costs and expenses incurred by the Bank in connection with the preparation, reproduction, execution and delivery of this First Amendment and the other instruments and documents to be delivered hereunder (including the reasonable fees, charges and disbursements of counsel with respect thereto).

SECTION 7. EXECUTION IN COUNTERPARTS. This First Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument. For purposes of this First Amendment, a counterpart hereof (or signature page thereto) signed and transmitted by any Person party hereto to the Bank (or its counsel) by facsimile machine, telecopier or electronic mail is to be treated as an original. The signature of such Person thereon, for purposes hereof, is to be considered as an original signature, and the counterpart (or signature page thereto) so transmitted is to be considered to have the same binding effect as an original signature on an original document.

SECTION 8. HEADINGS. Section headings in this First Amendment are included herein for convenience of reference only and shall not constitute a part of this First Amendment for any other purpose.

7

SECTION 9. ENTIRE AGREEMENT. THIS FIRST AMENDMENT AND THE OTHER INTERNATIONAL LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

SECTION 10. GOVERNING LAW. THIS FIRST AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICTS OF LAW PRINCIPLES (OTHER THAN PROVISIONS OF 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 11. WAIVERS OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, THE PARTIES HERETO HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER THIS FIRST AMENDMENT OR INTERNATIONAL LOAN DOCUMENTS, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS FIRST AMENDMENT OR ANY INTERNATIONAL LOAN DOCUMENT AND AGREE THAT ANY ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

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8

IN WITNESS WHEREOF, this First Amendment to Agreement is executed as of the date first set forth above.

BORROWER:

GREAT LAKES DREDGE & DOCK CORPORATION

By: /s/ Deborah A. Wensel
Deborah A. Wensel
Senior Vice President, Chief Financial
Officer and Treasurer

GUARANTOR:

GREAT LAKES DREDGE & DOCK COMPANY, LLC

By: /s/ Deborah A. Wensel
Deborah A. Wensel
Senior Vice President, Chief Financial
Officer and Treasurer

BANK:

WELLS FARGO HSBC TRADE BANK, N.A.

By: /s/ Robert Corder
Name: Robert Corder
Title: Vice President



News from Great Lakes Dredge & Dock Corporation

**For further information contact:
Deborah A. Wensel, Chief Financial Officer
630-574-3772**

GREAT LAKES DREDGE & DOCK CORPORATION RELEASES
ESTIMATED 2007 SECOND QUARTER RESULTS

Oak Brook, Illinois — July 20, 2007 — Great Lakes Dredge & Dock Corporation (NASDAQ:GLDD), the largest provider of dredging services in the United States and a major provider of commercial and industrial demolition services, today announced estimated financial results for the 2007 second quarter and six months ended June 30, 2007.

For the 2007 second quarter, the Company anticipates contract revenues of between \$107.5 million and \$122.2 million, as compared with \$114.1 million for the second quarter of 2006. It estimates operating income of between \$8.2 million and \$9.3 million versus \$10.3 for the 2006 second quarter. Second quarter operating income was negatively impacted by bad debt expense associated with a project completed in 2006 and additional costs related to its efforts in Texas to reduce personal injury claims which totaled \$1.2 million. The Company anticipates that it will report net income of \$1.6 million to \$1.8 million.

For the six month period, the Company anticipates contract revenues of between \$234.0 million and \$249.0 million, as compared with \$222.5 million for the first six months of 2006. It estimates operating income of between \$13.9 million and \$15.0 million versus \$14.1 million a year ago. Year to date operating income was impacted by the items noted above. The Company anticipates that it will report net income of \$2.5 million to \$2.8 million for the six months ended June 30, 2007.

The Company estimates EBITDA of between \$27.2 million and \$29.2 million for the six months ended June 30, 2007, as compared with \$27.1 million for the year earlier period. Estimated EBITDA for the six months ended June 30, 2007 is calculated based upon estimated net income of between \$2.5 million and \$2.8 million, adding back estimated net interest expense of between \$10.4 million and \$11.2 million, estimated income tax expense of between \$1.8 million and \$1.9 million and estimated depreciation and amortization of between \$ 12.5 million and \$13.3 million. EBITDA for the first six months of 2006 is calculated based upon net income of \$1.4 million, adding back interest expense, net of \$12.2 million, income tax expense of \$1.0 million and depreciation and amortization of \$12.5 million.

Estimates of financial results are inherently uncertain and subject to change, and we undertake no obligation to update this information. Actual results may differ due to the completion of management's and the audit committee's final review. Investors are cautioned not to place undue reliance on the estimates. The estimates set forth above were prepared by our management and are based upon a number of assumptions. These estimates were prepared on the basis of GAAP.

EBITDA, as provided herein, represents net income (loss), adjusted for net interest expense, income taxes, depreciation and amortization expense. EBITDA should not be considered an alternative to, or more meaningful than, amounts determined in accordance with GAAP including: (a) operating income as an indicator of operating performance; or (b) cash flows from operations as a measure of liquidity. As such, the Company's use of EBITDA, instead of a GAAP measure, has limitations as an analytical tool, including the inability to determine profitability or liquidity due to the exclusion of interest expense and the associated significant cash requirements and the exclusion of depreciation and amortization, which represent significant and unavoidable operating costs given the level of indebtedness and capital expenditures needed to maintain the Company's business. For these reasons, the Company uses operating income to measure its operating performance and uses EBITDA only as a supplement.

Great Lakes Dredge & Dock Corporation is the largest provider of dredging services in the United States and the only U.S. dredging company with significant international operations, averaging 18% of its dredging revenues over the last three years. Great Lakes also owns an 85% interest in North American Site Developers, Inc., one of the largest U.S. providers of commercial and industrial demolition services. Additionally, the Company owns a 50% interest in a marine sand mining operation in New Jersey which supplies sand and aggregate used for road and building construction. Great Lakes has a 117-year history of never failing to complete a marine project and owns the largest and most diverse fleet in the industry, comprising over 180 specialized vessels.

The matters discussed in this news release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Certain forward-looking statements can be identified by the use of forward-looking terminology, such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'seeks', 'approximately', 'intends', 'plans', 'estimates', or 'anticipates', or the negative thereof or other comparable terminology, or by discussions of strategy, plans or intentions. In particular, any statements, express or implied, concerning future operating results or ability to generate revenues, income or cash flow to service debt are forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected. These include risks associated with Great Lakes' substantial leverage, fixed price contracts, dependence on government contracts and funding, bonding requirements and obligations, international operations, government

regulation, restrictive debt covenants and fluctuations in quarterly operations. In light of these and other uncertainties, the inclusion of forward-looking statements in this news release should not be regarded as a representation by Great Lakes that Great Lakes' plans and objectives will be achieved. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Great Lakes assumes no obligation to update information contained in this news release.

