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Great Lakes Acquires Terra Contracting, LLC

OAK BROOK, Ill.--(BUSINESS WIRE)-- 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 and remediation services, today announced it has acquired the assets of Terra Contracting, LLC ("Terra"), one of the nation's premier providers of a wide variety of essential services for environmental, maintenance and infrastructure-related applications for approximately \$20 million. Terra's remediation, maintenance/repair, abatement and emergency response services provide corporate and governmental customers with one of the industry's broadest arrays of project-critical environmental solutions. Seller proceeds will be used to pay down debt and provide a return of equity to ownership.

Headquartered in Kalamazoo, MI, Terra employs approximately 200 engineering, operations and administrative staff and serves customers in more than thirty states in the environmental, infrastructure, energy, industrial, transportation, waste water and construction sectors. Terra's services include the removal and remediation of contaminated sediment, soil and groundwater, superfund site clean-ups, hazardous waste removal and brownfield site restoration, facility and equipment decontamination and decommissioning, tank cleaning, hazardous materials abatement, emergency response services, and municipal utility, sewer and wastewater infrastructure maintenance, inspection and refurbishment.

Great Lakes CEO Jon Berger stated, "The Terra acquisition fits our strategic vision to gain a stronger foothold in the environmental remediation market. Terra will broaden our demolition segment with additional services and expertise as well as expand our footprint in the Midwest. Terra reinforces our efforts to develop relationships with larger industrial and governmental clients. Additionally, our rivers & lakes operations can leverage Terra's environmental remediation focus to accelerate its participation in the environmental dredging market."

President and COO Bruce Biemeck stated, "With Terra comes a seasoned, highly knowledgeable and experienced management team, including owner Steve Taplin, all of whom are excited to team with Great Lakes to grow the environmental remediation business. We look forward to working with the Terra team to leverage our combined technical expertise and expanded asset base to broaden the Great Lakes footprint and market reach in this strategic market sector, while providing Terra with the resources and financial capability to grow into new services and geographic regions. Steve Taplin has been named President of the new company, Terra Contracting Services LLC and believes this transaction will be very positive for the company he founded in 2001."

President Steve Taplin stated, "I am very proud of the success we have enjoyed in our business and attribute much of our success to the team which I have worked with over the years to build a highly respected company. Our dedicated team enjoys the challenges of the business, but we lack the resources to continue our growth. In the best interest of our team and their desire to grow, I have made this decision to ensure continuing opportunities for our team and the ability to continue to work together to further expand our business. The transaction has been a very good experience, as it enabled me to meet and get to know the Great Lakes team, which is a professional and highly motivated group, much like Terra. We look forward to the opportunities ahead and are ready to dig in and grow with Great Lakes."

Terra is expected to generate approximately \$45 million of service revenue with 15% EBITDA margins in 2013, while also generating approximately \$20 million of pass through transportation and disposal revenue. Terra will add approximately \$20 million to Great Lakes' year-end 2012 backlog excluding project option opportunities.

Use of Adjusted EBITDA

Adjusted EBITDA, as provided herein, represents net income (loss) attributable to Great Lakes Dredge & Dock Corporation, adjusted for net interest expense, income taxes, depreciation and amortization expense and debt extinguishment. Adjusted EBITDA should not be considered an alternative to, or more meaningful than, amounts determined in accordance with accounting principles generally accepted in the United States of America ("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 Adjusted 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 and income tax 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 Adjusted EBITDA only as a supplement. For further explanation, please refer to the Company's SEC filings.

The Company

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. The Company is also one of the largest U.S. providers of commercial and industrial demolition services primarily in the Northeast. The Company owns a 50% interest in a marine sand mining operation in New Jersey that supplies sand and aggregate for road and building construction and a 50% interest in an environmental service operation with the ability to remediate soil and dredged sediment treatment. Great Lakes employs over 150 degreed engineers, most specializing in civil and mechanical engineering, which contributes to its 122-year history of never failing to complete a marine project. Great Lakes has a disciplined training program for engineers that ensures experienced-based performance as they advance through Company operations. Great Lakes also owns and operates the largest and most diverse fleet in the U.S. industry, comprised of over 200 specialized vessels.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking" statements as defined in Section 27A of the Securities Act of 1933 (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), the Private Securities Litigation Reform Act of 1995 (the "PSLRA") or in releases made by the Securities and Exchange Commission (the "SEC"), all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Great Lakes and its subsidiaries, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words "plan," "believe," "expect," "anticipate," "intend," "estimate," "project," "may," "would," "could," "should," "seeks," or "scheduled to," or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions. These cautionary statements are being made pursuant to the Exchange Act and the PSLRA with the intention of obtaining the benefits of the "safe harbor" provisions of such laws. Great Lakes cautions investors that any forward-looking statements made by Great Lakes are not guarantees or indicative of future performance. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements with respect to Great Lakes, include, but are not limited to, risks associated with Great Lakes' leverage, fixed price contracts, dependence on government contracts and funding, bonding requirements and obligations, international operations, backlog, severe weather related costs, uncertainty related to pending litigation, government regulation, restrictive debt covenants and fluctuations in quarterly operations, and those factors, risks and uncertainties that are described in Item 1A "Risk Factors" of Great Lakes' Annual Report on Form 10-K for the year ended December 31, 2011, and in other securities filings by Great Lakes with the SEC.

Although Great Lakes believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, actual results could differ materially from a projection or assumption in any forward-looking statements. Great Lakes' future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The forward-looking statements contained in this press release are made only as of the date hereof and Great Lakes does not have or undertake any obligation to update or revise any forward-looking statements whether as a result of new information, subsequent events or otherwise, unless otherwise required by law.

Great Lakes Dredge & Dock Corporation
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