

INVESTOR PRESENTATION

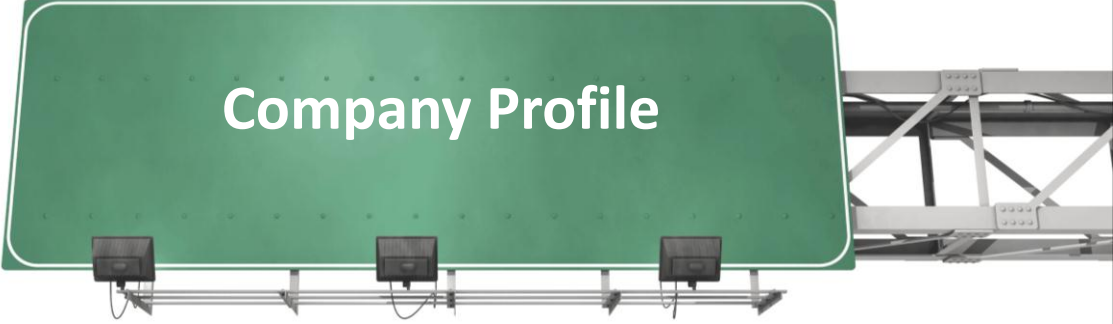
SPRING 2013





Disclosure Regarding Forward Looking Statements

This presentation includes statements within the definition of “forward-looking statements” under the Private Securities Litigation Reform Act. Such statements are subject to risks and uncertainties, including overall economic and market conditions, competitors’ and customers’ actions, or weather conditions and other risks identified in the Company’s filings with the Securities and Exchange Commission which could cause actual results to differ materially from those anticipated. Such statements should be considered in light of these risks. Any prediction by the Company is only a statement of management’s beliefs at the time the prediction is made. Management’s beliefs may change over time, and the Company does not undertake to update its predictions.



Company Profile

- Stock Symbol: STRL
- Shares Outstanding: 16.6 million
- Trailing Twelve Month Revenues: \$643.1 million
- Headquarters: Houston, TX
- Primary Geographies: Texas, Utah, Nevada, Arizona, California, Hawaii
- Projects Underway: >100
- Employees: 1,685



- A leading heavy civil construction firm with a 58-year successful track record
- Long history of solid execution on construction contracts requiring diverse capabilities
- New CEO leading experienced management team
- Improving construction industry outlook
- Growing backlog with rising margins
- Well capitalized with significant financial flexibility
- Operations in attractive geographic markets
- Strong presence in transportation and water infrastructure markets which have favorable long-term growth dynamics
- Proven ability to execute a disciplined acquisition strategy

Broad Range of Capabilities

TRANSPORTATION



HIGHWAYS
ROADS

AIRPORTS
PORTS

TRANSIT



LIGHT RAIL
HEAVY RAIL

MATERIALS



AGGREGATES
CONCRETE
ASPHALT

SPECIALTY



PILING AND SHORING
SLURRY AND ROCK DRILLING
DRIVEN PILES

STRUCTURAL



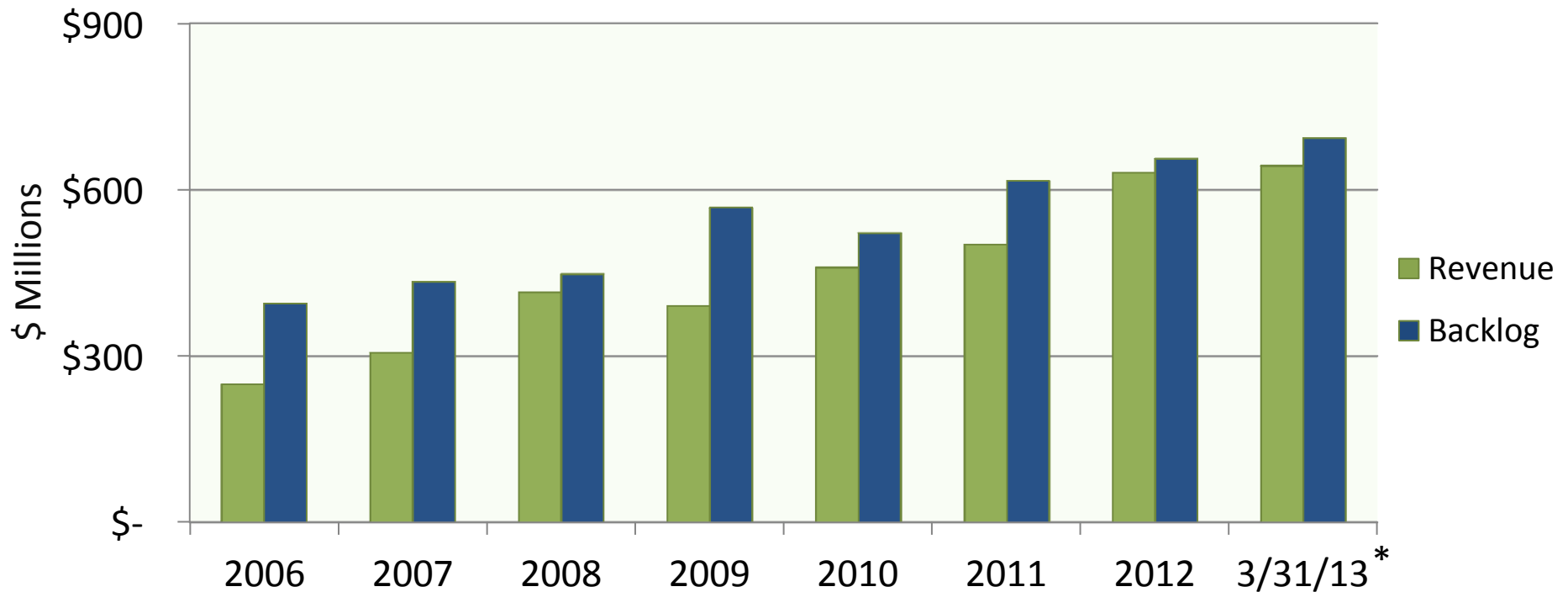
BRIDGES
HIGHWAY INTERCHANGES
PARKING STRUCTURES

MUNICIPAL



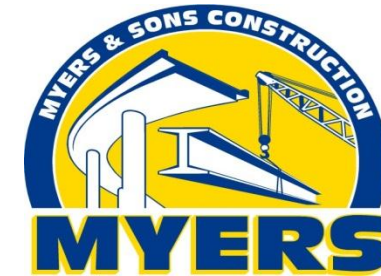
WATER SYSTEMS
WASTEWATER SYSTEMS
STORM DRAINAGE

Rising Backlog & Revenue

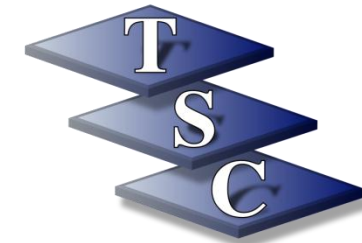
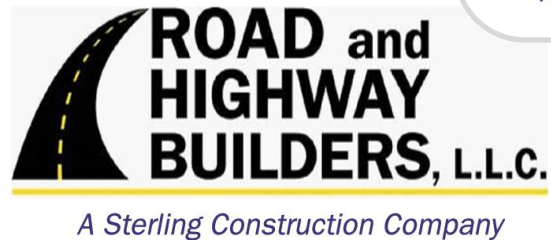


*Reflects trailing twelve-month revenue as of 3/31/13

Our Family of Experienced Businesses



A Sterling Construction Company

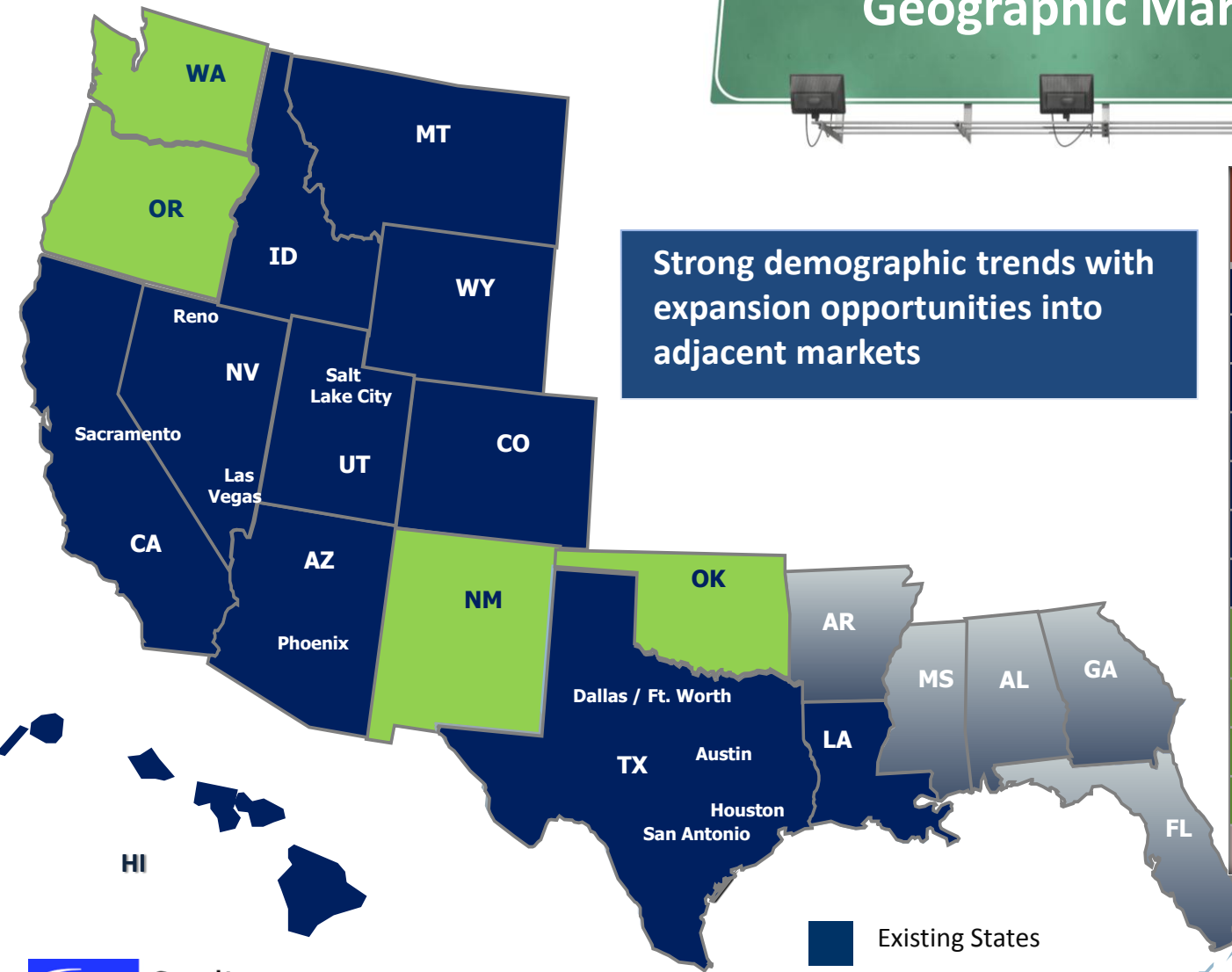


MARKET OVERVIEW

Serving Attractive Geographic Markets

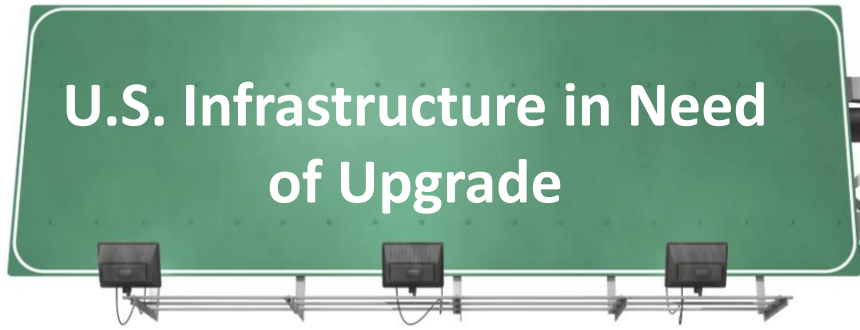
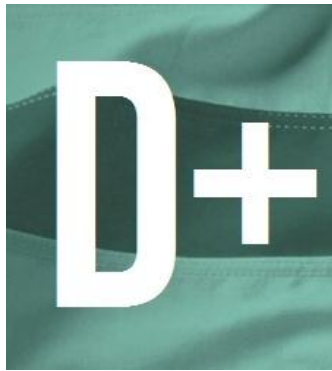
Strong demographic trends with expansion opportunities into adjacent markets

State	2010 Population (millions)	Population Growth 2010-2030
Arizona	6.4	67.2%
California	37.3	24.5%
Colorado	5.0	16.0%
Nevada	2.7	59.3%
Texas	25.1	32.7%
Utah	2.8	25.1%
Hawaii	1.4	1.0%
New Mexico	2.1	0%
Oklahoma	3.8	2.6%
Oregon	3.8	26.2%
Washington	6.7	28.3%
National	308.7	17.8%

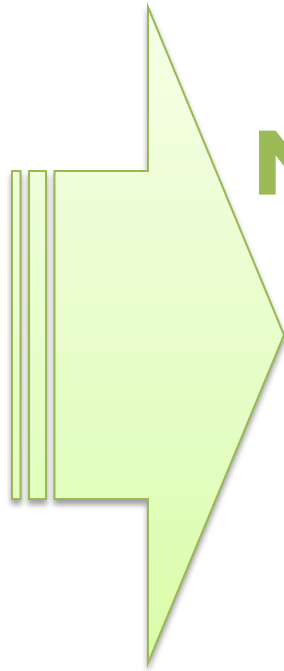


- Existing States
- Opportunities

* Sources – US Census Bureau and ESRI



CATEGORY	GRADE
BRIDGES	C+
ROADS	D
RAIL	C+
AVIATION	D
TRANSIT	D
DRINKING WATER	D
WASTE WATER	D



**ESTIMATED
INVESTMENT
NEEDED BY 2020:**

**\$3.6
TRILLION**

** Source – ASCE 2013 Report Card*



* Source – American Society of Civil Engineers

California Grade: C



* Source – American Society of Civil Engineers



Highway Funding

- **MAP-21**

- Maintains annual federal highway spending authorization at close to \$40 billion in 2013 and 2014

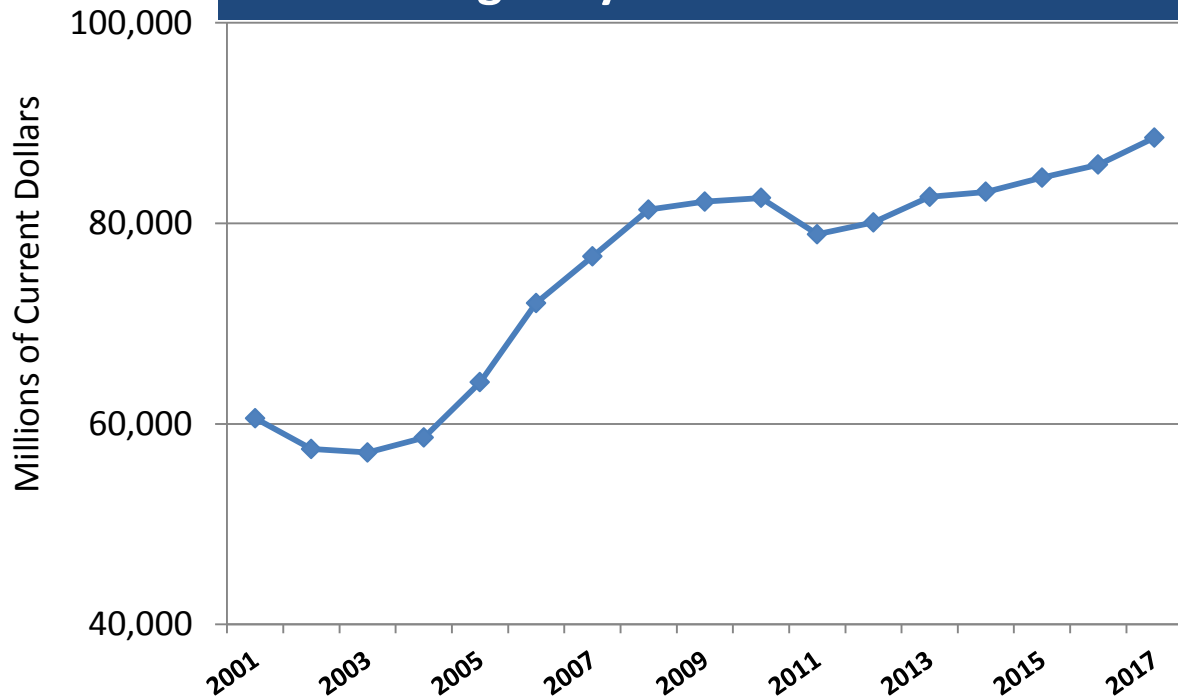
- **TIFIA**

- Provides for federal credit assistance to nationally or regionally significant surface transportation projects, including highway, transit and rail
- Will offer up to \$750 million of funds in 2013 and \$1 billion in 2014



Highway Infrastructure Trends

Value of Highway and Street Construction



(1) Source: FMI's Construction Outlook 1st Quarter 2013

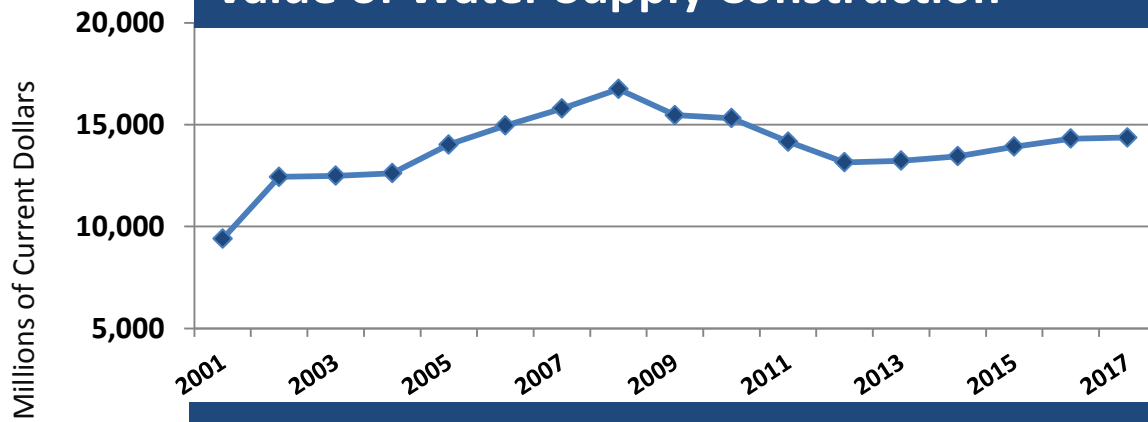
Drivers:

- ↑ Population growth
- ↓ Government Spending
- ↑ Nonresidential Structure Investment

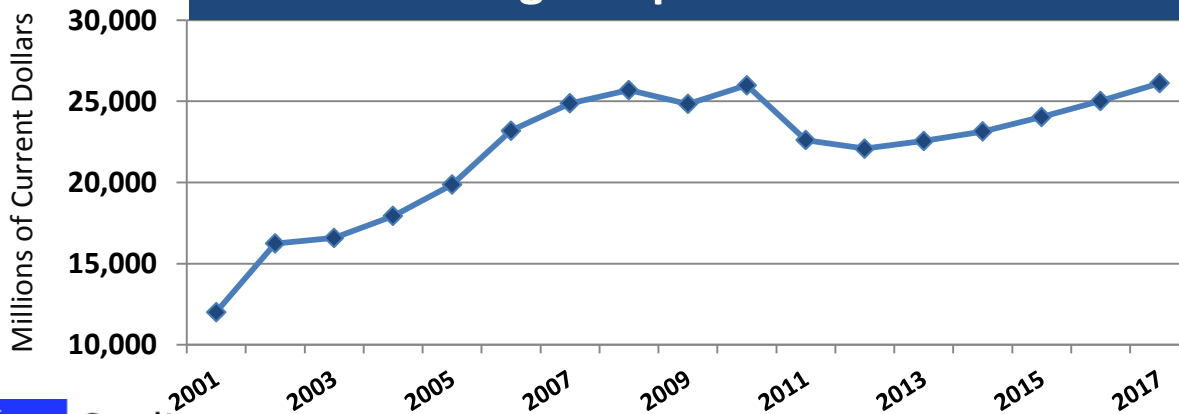


Water Infrastructure Trends

Value of Water Supply Construction



Value of Sewage Disposal Construction



Drivers for both graphs:

- ↑ Population growth
- ↑ Industrial Production
- ↑ Government Regulation



Strategies & Objectives

Extend our construction service capabilities

Expand into new service lines & geography

Apply operational competencies across our platform

Increase market leadership in core geographic markets

Position our business for future infrastructure spending

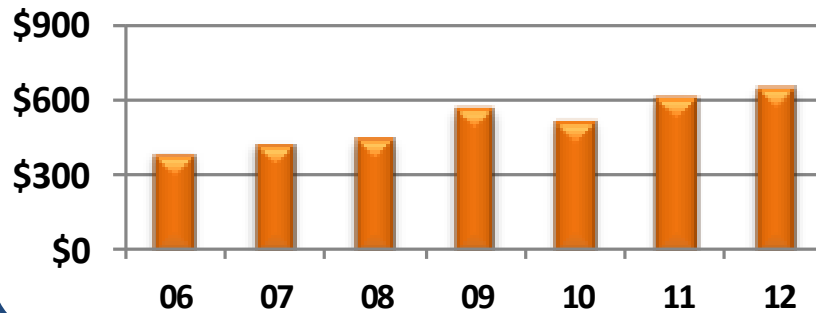
Streamline operations through functional integration of subsidiaries

Continue to attract, retain and develop our employees

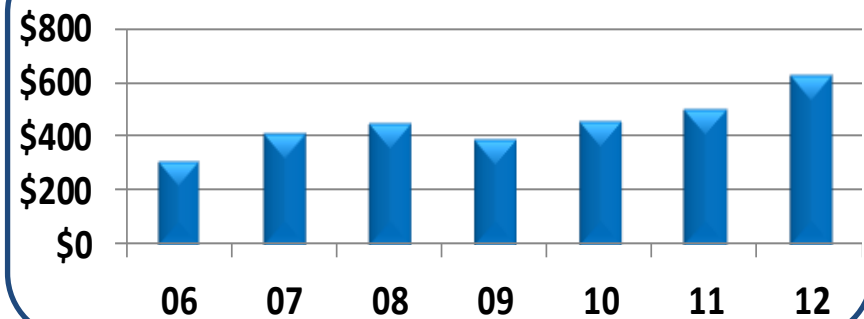
FINANCIAL OVERVIEW

Historical Results

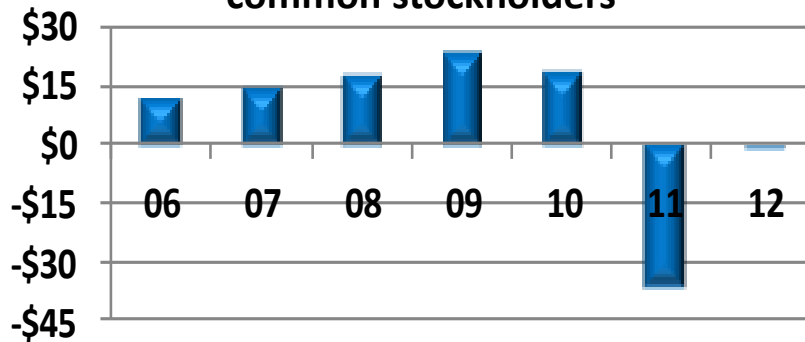
Backlog



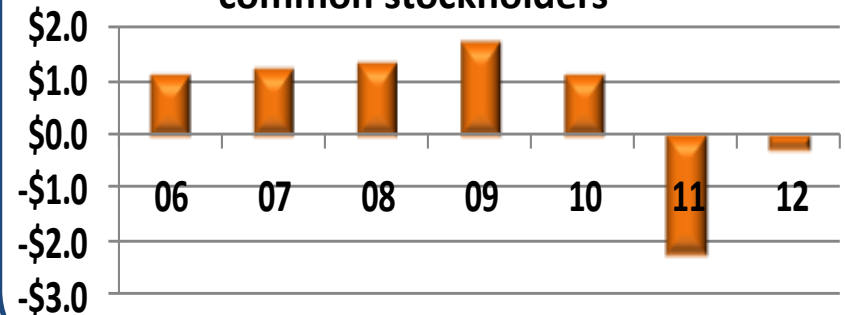
Revenue



Net Income (loss) attributable to common stockholders*



EPS (loss per share) attributable to common stockholders*



*2011 results include a pre-tax charge of \$67.0 million (\$41.8 million after income taxes and noncontrolling interest or \$2.55 per diluted share) related to the impairment of goodwill. 2012 diluted net income (loss) per share attributable to common stockholders includes \$(0.24) charges to retained earnings related to revaluations of noncontrolling interest liabilities. For 2011 the impact from these revaluations was \$(0.05).

Q1'13 Income Statement Summary

\$ in millions (except per share data)	3 Months Ended		% Change*
	3/31/13	3/31/12	
Revenues	\$ 111.0	\$ 98.4	12.8%
Gross profit	\$ 1.4	\$ 1.9	(26.1) %
Gross margin	1.2%	1.9%	(36.8)%
Operating (loss)	\$ (8.0)	\$ (4.6)	(74.8)%
Net (loss) attributable to common stockholders	\$ (4.6)	\$ (7.5)	(38.9)%
Diluted net (loss) per share attributable to common stockholders**	\$ (0.39)	\$ (0.44)	(11.4)%



Q1'13 Reported Results Commentary

- Increase in revenues driven by execution on projects in Texas, California and Nevada
- Gross profit and gross margin were negatively impacted by:
 - Execution on low margin contracts awarded pre-2012
 - Net write-downs of \$4.3 million resulting in net after tax impact of \$2.8 million, or (\$0.17) per diluted share attributable to common stockholders
 - \$3.3 million of Q1'13 write-downs for two TX projects; one where Sterling is minority noncontrolling partner
- G&A increased as a result of investments to enhance leadership of IT team, consulting fees and severance costs

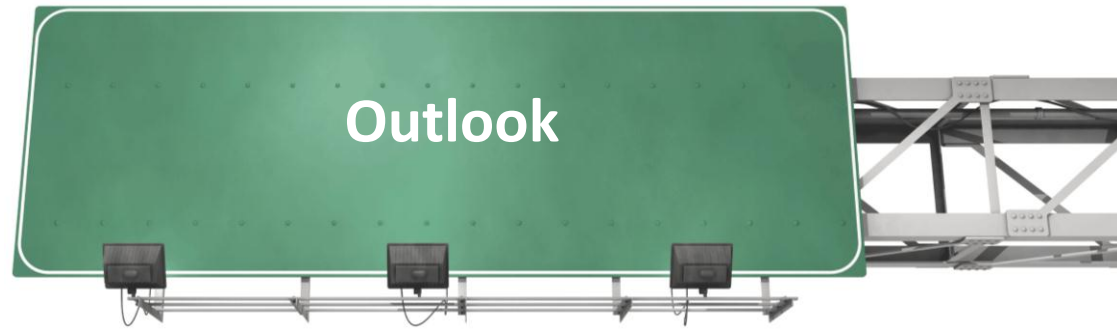


Backlog Improving in Size and Quality

- Backlog at 3/31/13 was \$693 million, up from \$656 million at 12/31/12
 - 3/31/13 backlog excluded \$91 million of contracts where we were the apparent low bidder, but hadn't officially received award
- Q1'13 bookings of \$148 million equates to book to bill ratio of 1.3:1, up from 1.0:1 for full-year 2012.
- Gross margin profile of backlog as of 3/31/13:
 - \$473 million, or ~70%, comprised of contracts awarded after 2011 carrying an average gross margin of ~7.5%
 - Margins on the \$91 million of apparent low bid contracts exceed 7.5%
 - \$220 million of backlog from projects booked pre-2012 carries an average gross margin of only 3%
 - expect to complete work on the vast majority of these low margin contracts in 2013

Strong Balance Sheet

(\$ in millions)	3/31/13	12/31/12
Cash, cash equivalents and short term investments	\$ 4.2	\$ 52.4
Other current assets, including contract receivables	145.1	112.4
Current assets	149.2	164.8
Net property and equipment	101.9	102.3
Goodwill and other assets	65.0	64.4
Total assets	\$ 316.1	\$ 331.5
Current liabilities, including billings in excess of costs and estimated earnings	\$ 78.1	\$ 77.3
Long-term debt and other long-term liabilities	14.5	26.9
Noncontrolling owners' interests in subsidiaries and JVs	17.2	14.7
Stockholders' equity	206.3	212.6
Total liabilities and stockholders' equity	\$ 316.1	\$ 331.5
Current Ratio	1.9x	2.1x
Working capital	\$ 71.1	\$ 87.5
Tangible Net Worth	\$ 151.5	\$ 157.8



- 2013 revenues to approximate 2012 levels, with increasing bookings and backlog leading to growth in 2014
- Gross margin should improve as 2013 progresses as operationally challenged projects are completed and higher margin jobs are executed
- 2013 G&A to increase year-over-year reflecting the investments to create a scalable platform for long-term growth
- 2013 Capex of approximately \$24 million

CONCLUSION



- **2013 Engineering News Record**
 - Top 400 Contractor (#92)
 - Top Heavy Domestic Civil Contractor (#16)
 - Transportation (#16)
- **2012 Utah Association of General Contractors**
 - 5 - Best of State Awards
 - Heavy Construction
 - Structural Engineering
 - Sculpture
 - Digital Art
 - BOSS (Best of State Statue)
- **2012 Arizona Transportation**
 - Partnering Excellence Award
- **2013 Utah Association of General Contractors**
 - Platinum Safety Award
- **2013 Houston Contractors Association**
 - Safety Award

Record Project Achievement

*Longest Bridge
Move in the
Western
Hemisphere*

*354 Ft Long
3.0 M Lbs.*





Sterling 2013 Focus

Internal

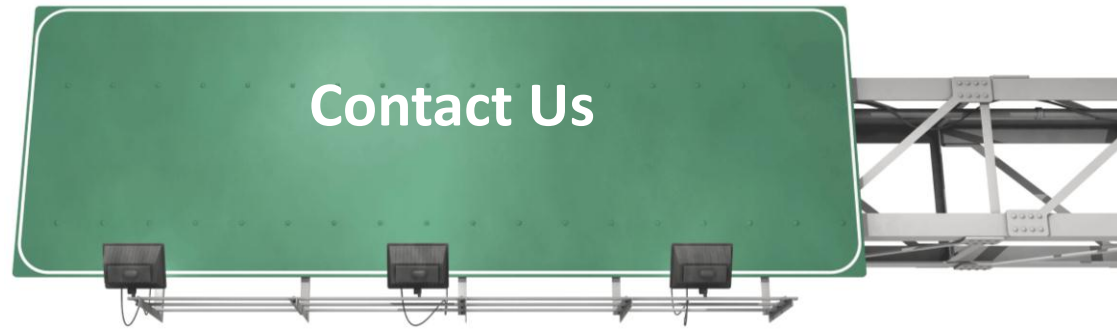
- IT Systems
- Financial Shared Services
- Project Risk
- GL Account Allocation
- Reporting Timeliness

External

- New Markets
- Acquisition Targets
- Alternative Delivery Projects



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