



*A Leading Heavy Civil Marine Contractor*



D.A. DAVIDSON  
8<sup>TH</sup> ANNUAL E&C CONFERENCE

# SAFE HARBOR STATEMENT

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The matters discussed in this presentation may make projections and other forward-looking statements regarding, among other things, estimates for the remainder of fiscal year revenues, gross profit, gross margin, EBITDA, backlog, projects in negotiation and pending awards, as well as our estimates and assumptions regarding future revenue growth, EBITDA, gross margins, administrative expenses and capital expenditures. These statements are predictions that are subject to risks and uncertainties that may cause actual results to differ materially. Moreover, past performance is not necessarily an indicator of future results. By providing this information, Orion Marine Group undertakes no obligation to update or revise any projections or forward-looking statements, whether as a result of new developments or otherwise.

Please refer to the Company's Form 10-Q filed on August 6, 2009, and its Form 10-K filed March 16, 2009, which are available on Orion Marine Group's website at [www.orionmarinegroup.com](http://www.orionmarinegroup.com), for additional discussion of risk factors that could cause actual results to differ materially from our current expectations.

# OVERVIEW

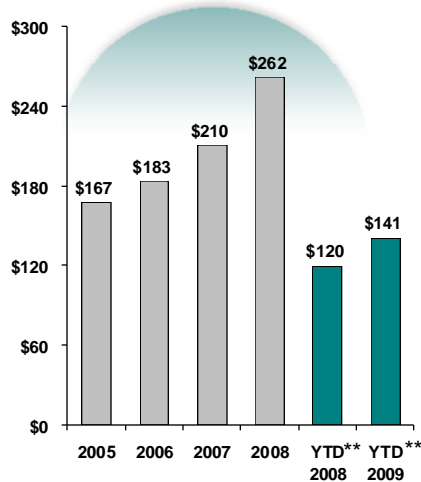
- **Leading heavy civil marine infrastructure contractor in the U.S.**
  - Focused on near shore / shallow water - “brown water”
- **Services**
  - Broad range of marine construction capabilities
  - Maintenance, repair, and inspection services
  - Dredging services
- **Customers**
  - Federal, state, municipal governments (50% of 2008 revenues)
  - Private commercial and industrial enterprises (50% of 2008 revenues)
- **Financials**
  - \$261.8 MM revenues, 12/31/08, 2005 - 2008 CAGR 16%
  - \$41.3 MM EBITDA, 12/31/08, 16% margin
  - \$141.8 MM backlog, 6/30/09; predominately fixed price
- **Competition**
  - Highly fragmented market
  - Mostly small, private, regional players
- **Operations**
  - Headquartered in Houston, TX
  - Footprint spans across Gulf Coast, Atlantic Seaboard, Caribbean Basin
  - 1,063 employees as of June 30, 2009



# AN IMPRESSIVE PERFORMANCE RECORD

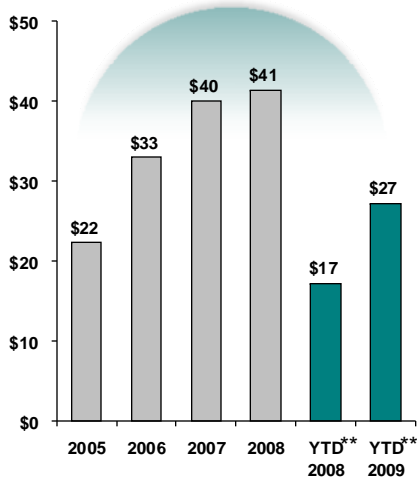
**Revenue Growth**  
(2003 – 2008)

**158%**



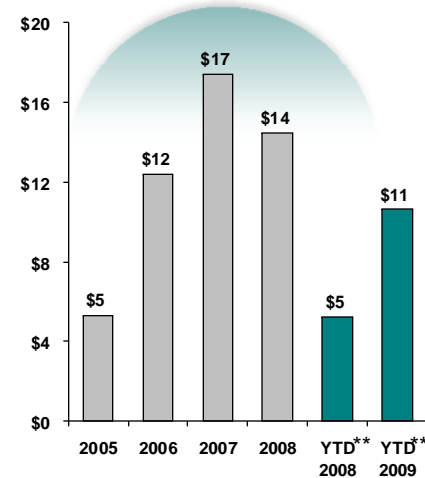
**EBITDA\* Growth**  
(2003 – 2008)

**170%**



**Net Income Growth**  
(2003 – 2008)

**197%**

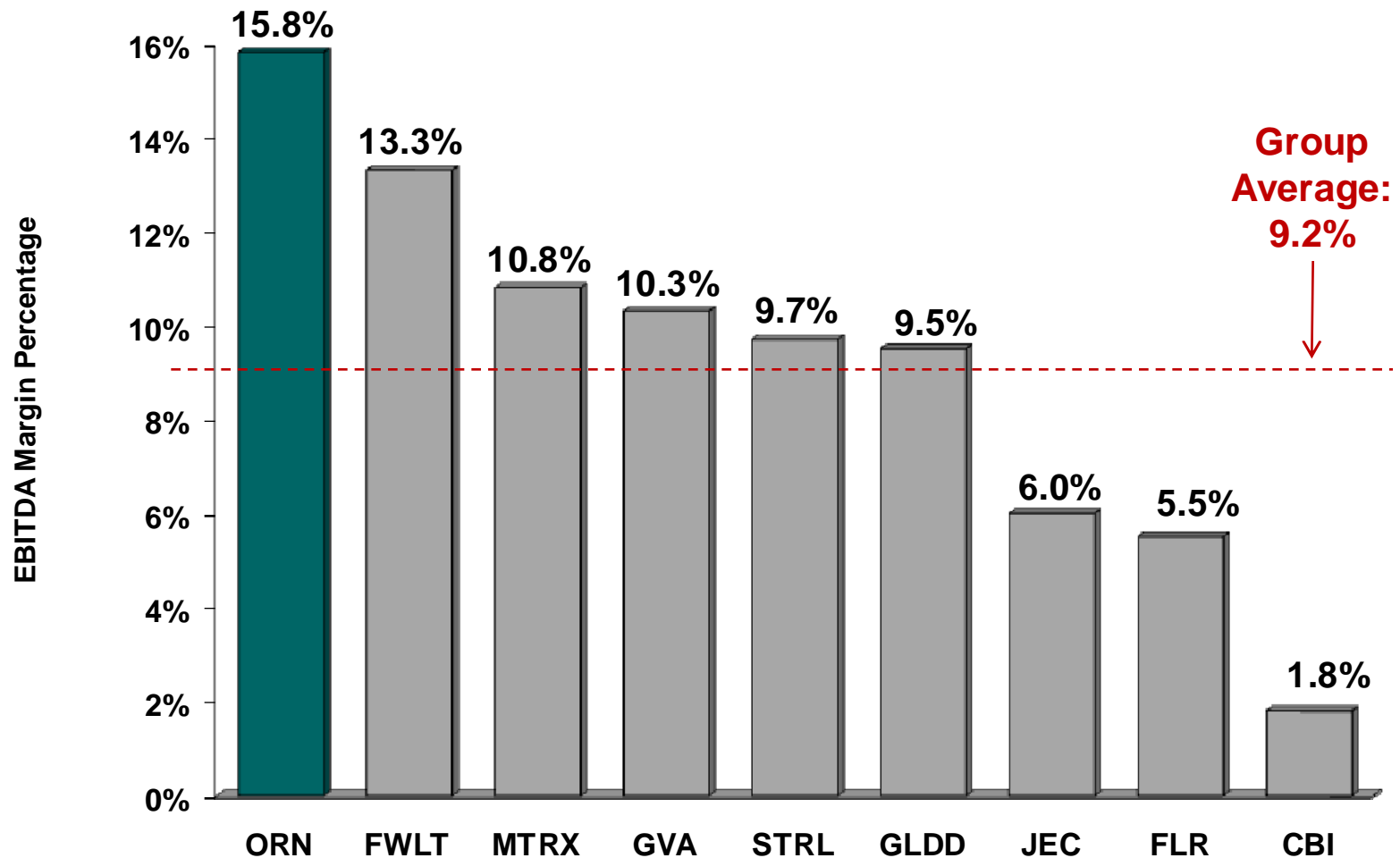


\*Growth in full year EBITDA 2003 compared to 2008; Please see reconciliation at the end of this presentation

\*\*YTD January 1 through June 30,

# LEADING INDUSTRY EBITDA MARGIN

Full Year 2008 EBITDA Margin\*



\* Please see reconciliation at the end of this presentation

# FINANCIAL STRENGTH

Orion Marine Group has a solid financial background to help drive future growth in markets and projects

- **Conservative balance sheet**
- **Solid cash position**
- **Recently raised \$92 million in a secondary offering**
- **\$400 million in bonding capacity**
- **Strategic long-term focus on growth**
- **\$183 million in backlog as of 6/30/2009\***



\*Includes \$41 MM of recently announced large project awards. Though these firm contracts typically result in future revenues, ORN cannot guarantee that the revenue projected in its backlog will be realized or, if realized, will result in earnings.

# DIVERSE GEOGRAPHIC FOOTPRINT

Covering the Gulf Coast, Atlantic Seaboard and Caribbean Basin





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## CORE STRENGTHS

THE ROAD AHEAD



# FOUNDATION FOR SUCCESS

## Process

**Project Selection**



**Bidding**



**Contract Management**



**Leads to high margins and good bottom line performance**

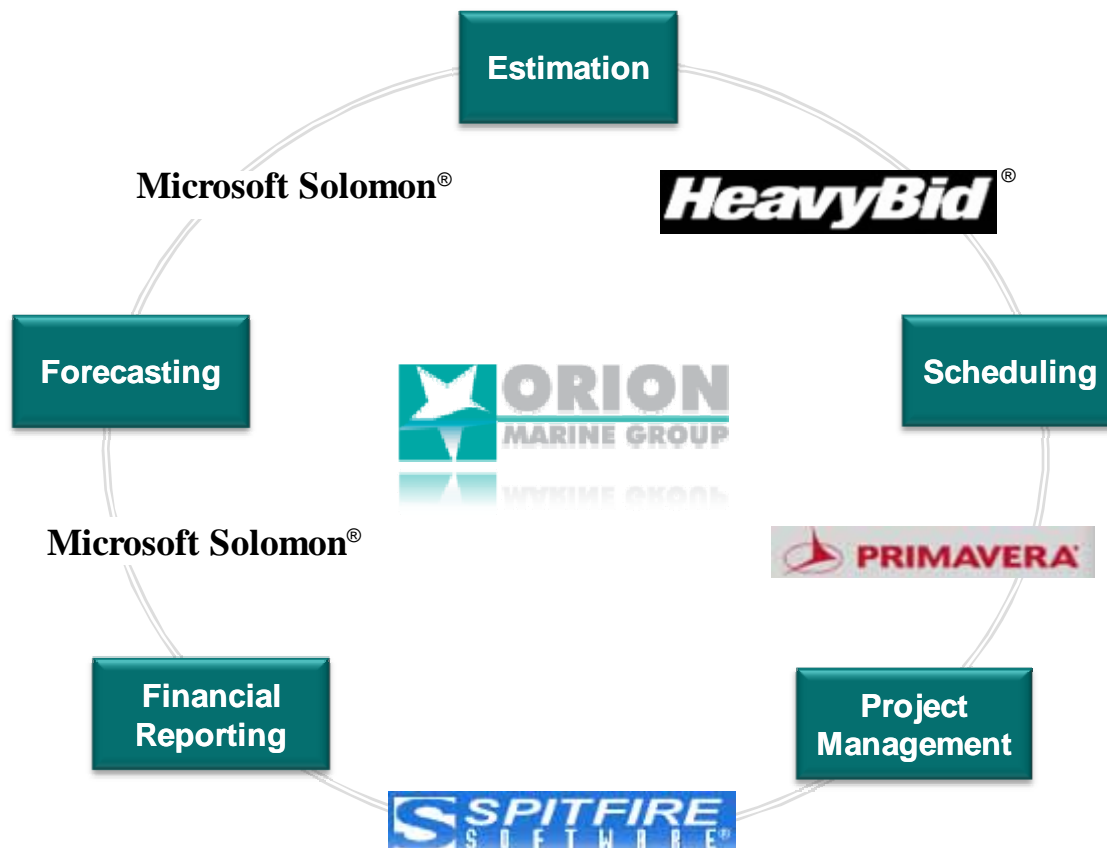
## Philosophy

- Maximize asset utilization
- Demand a highly specialized marine fleet
- Remain inside the Company's risk tolerance
- High degree of self-performance
  
- Utilize management expertise to build accurate precise bids
- Reflect the true value of projects
  
- Manage projects with a high degree of credibility
- Focus on the value of the project to the overall business
- Incentivize project managers
- Maximize margins through project controls and execution

# THE SYSTEMS TO MAKE IT HAPPEN

State of the art scalable systems in place for unified bidding, project execution, and project accounting

## Project Life Cycle



## Custom Reporting

The screenshot displays the Primavera Project Planner (P3) interface. The main window shows a Gantt chart with various project activities and their durations. A table of activities is visible on the left side of the screen.

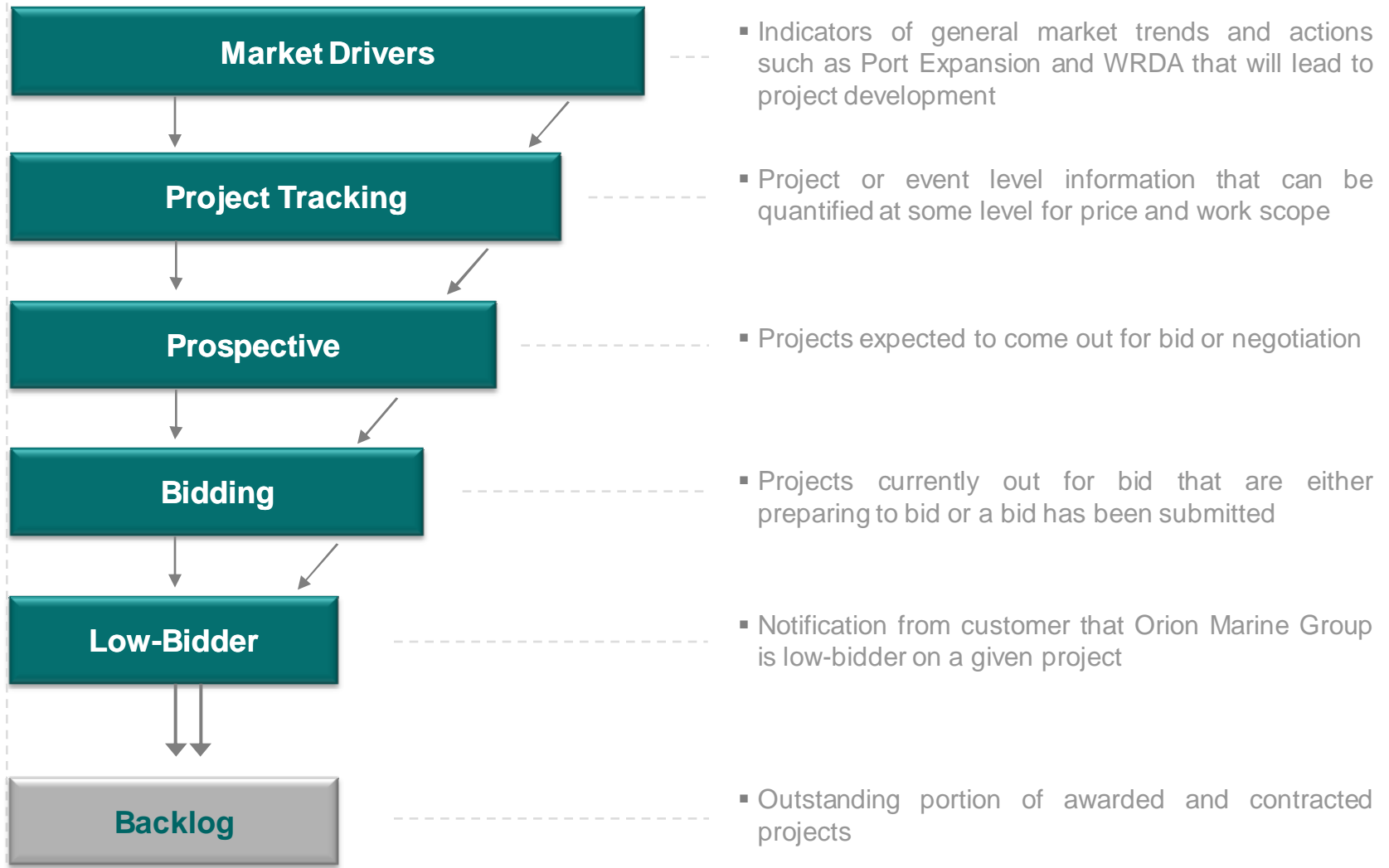
Activity ID	Description	Proj. Name	%	Early Start
000000	Construction Department			
000001	Site Preparation	00	100	10/10/2000
000002	Major Building Construction	00	100	10/10/2000
000003	Commissioning	00	100	10/10/2000
000004	Final Inspection/Handover	00	100	10/10/2000
000005	Final Account/Closeout	00	100	10/10/2000
000006	Final Account/Closeout	00	100	10/10/2000
000007	Final Account/Closeout	00	100	10/10/2000
000008	Final Account/Closeout	00	100	10/10/2000
000009	Final Account/Closeout	00	100	10/10/2000
000010	Final Account/Closeout	00	100	10/10/2000
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000037	Final Account/Closeout	00	100	10/10/2000
000038	Final Account/Closeout	00	100	10/10/2000
000039	Final Account/Closeout	00	100	10/10/2000
000040	Final Account/Closeout	00	100	10/10/2000
000041	Final Account/Closeout	00	100	10/10/2000
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000044	Final Account/Closeout	00	100	10/10/2000
000045	Final Account/Closeout	00	100	10/10/2000
000046	Final Account/Closeout	00	100	10/10/2000
000047	Final Account/Closeout	00	100	10/10/2000
000048	Final Account/Closeout	00	100	10/10/2000
000049	Final Account/Closeout	00	100	10/10/2000
000050	Final Account/Closeout	00	100	10/10/2000

## Real-Time Project Management



# GOOD MARKET VISIBILITY

## Visibility Matrix





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CORE STRENGTHS

THE ROAD AHEAD

# MULTIPLE DIVERSE END MARKETS



Port Expansion & Maintenance



Bridges & Causeways

Marine Infrastructure



Cruise Industry

Department of Defense



Oil & Gas Industry

Coastal Protection & Reclamation



Hurricane Restoration & Repair

Environmental Remediation



# GOOD FUTURE GROWTH DRIVERS

## Port Expansion

- Over \$10B in planned port expansion due to Panama Canal Expansion



## Bridge Construction

- \$4.5B in planned bridge expenditures in 2009 under SAFETEA-LU

## Dredging

- Army Corps of Engineers focused on expanding the usability of the Gulf Intracoastal Waterways



## Hurricane Restoration and Protection

- \$5.4B planned for coastal restoration and flood protection in Louisiana
- \$740M in emergency dredging and construction due to hurricanes



## Cruise Ship Expansion

- Multiple new cruise ships coming online over the next two years

# BEAUMONT PORT EXPANSION – TEXAS



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# BELLEAIR CAUSEWAY - FLORIDA

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# BELLEAIR CAUSEWAY - FLORIDIA



# SEBASTIAN RIVER BRIDGE - FLORIDA



# US19 BRIDGE - FLORIDA





# GOOD FUTURE GROWTH DRIVERS

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# DREDGING ACTIVITIES - ALL MARKETS

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# HURRICANE REPAIR – TEXAS



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# BAYPORT CRUISE TERMINAL – TEXAS



# CRUISE PIER – TURKS & CAICOS

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# CRUISE SHIP PIER – HAITI





# CONTINUE TO EXECUTE GROWTH STRATEGY

Remain opportunistic with regard to strategic opportunities in key markets

Pursue Strategic Acquisitions



Continue Organic Growth



Pursue organic and Greenfield growth opportunities in key markets

Reinvest in Core Business



Continue to grow fleet through the purchase and development of new equipment

# WHY ORN?

## Industry Leader

*#3 Heavy Civil Marine Contractor\**



## Strong Performance

*Strong EBITDA and Revenue growth*



## Anticipated Growth

*Multiple end-market drivers for continued growth*





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**GAAP TO NON-GAAP**

# GAAP TO NON-GAAP

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## **EBITDA and EBITDA Margin**

This presentation includes the financial measures “EBITDA” and “EBITDA margin”. These measurements may be deemed “non-GAAP financial measures” under rules of the Securities and Exchange Commission, including Regulation G. The non-GAAP financial information may be determined or calculated differently by other companies. By reporting such non-GAAP financial information, the Company does not intend to give such information greater prominence than comparable and other GAAP financial information, which information is of equal or greater importance.

Orion Marine Group defines EBITDA as net income before net interest expense, income taxes, depreciation and amortization. EBITDA margin is calculated by dividing EBITDA for the period by contract revenues for the period. The GAAP financial measure that is most directly comparable to EBITDA margin is operating margin, which represents operating income divided by contract revenues. EBITDA and EBITDA margin are used internally to evaluate current operating expense, operating efficiency, and operating profitability on a variable cost basis, by excluding the depreciation and amortization expenses, primarily related to capital expenditures and acquisitions, and net interest and tax expenses. Additionally, EBITDA and EBITDA margin provide useful information regarding the Company’s ability to meet future debt repayment requirements and working capital requirements while providing an overall evaluation of the Company’s financial condition. In addition, EBITDA is used internally for incentive compensation purposes. The Company includes EBITDA and EBITDA margin to provide transparency to investors as they are commonly used by investors and others in assessing performance. EBITDA and EBITDA margin have certain limitations as analytical tools and should not be used as a substitute for operating margin, net income, cash flows, or other data prepared in accordance with generally accepted accounting principles in the United States, or as a measure of the Company’s profitability or liquidity.

A reconciliation of the Company’s future EBITDA margin to the corresponding GAAP measure is not available as these are estimated goals for the performance of the overall operations over the planning period. These estimated goals are based on assumptions that may be affected by actual outcomes, including but not limited to the factors noted in the “forward looking statements” herein, in other releases, and in filings with the Securities and Exchange Commission.

# GAAP TO NON-GAAP

Earnings Before Interest, Taxes, Depreciation and Amortization, and deferred financing costs, (“EBITDA”).

## Full Year 2003, 2004, 2005, 2006, 2007, 2008 EBITDA

(in Thousands)	Predecessor			Successor			
	Year Ended December 31, 2003	January 1 to October 13, 2004	October 14 to December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Year Ended December 31, 2007	Year Ended December 31, 2008
Net income	\$ 4,879	\$ 6,702	\$ 419	\$ 5,311	\$ 12,403	\$ 17,399	\$ 14,475
Income tax expense	3,508	4,378	266	3,805	7,040	10,178	7,282
Interest (income) expense, net	282	24	446	2,179	1,755	(90)	716
Deferred financing costs	-	24	41	171	171	208	-
Depreciation and amortization	6,649	5,416	1,919	10,865	11,634	12,384	18,848
<b>EBITDA</b>	<b>\$ 15,318</b>	<b>\$ 16,544</b>	<b>\$ 3,091</b>	<b>\$ 22,331</b>	<b>\$ 33,003</b>	<b>\$ 40,079</b>	<b>\$ 41,321</b>

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# GAAP TO NON-GAAP

Earnings Before Interest, Taxes, Depreciation and Amortization, and deferred financing costs, (“EBITDA”).

EBITDA Margin = Period EBITDA / Period Revenue

## Full Year 2008 EBITDA

	Full Year 2008 (January 1, 2008 - December, 2008)								
(In Thousands)	ORN	FWLT	MTRX	GVA	STRL	GLDD	JEC	FLR	CBI
Net Income	\$ 14,475	\$ 526,620	\$ 34,500	\$ 122,404	\$ 18,066	\$ 5,000	\$ 339,410	\$ 720,458	\$ (21,146)
Income Tax Expense	7,282	97,028	33,279	67,692	10,025	3,800	190,937	393,944	37,470
Interest (Income) expense, net	716	17,621	574	(2,444)	(871)	17,000	(8,398)	(54,665)	12,683
Depreciation and amortization	18,848	44,798	11,802	87,311	13,168	30,100	34,285	163,305	78,244
EBITDA	\$ 41,321	\$ 686,067	\$ 80,155	\$ 274,963	\$ 40,388	\$ 55,900	\$ 556,234	\$ 1,223,042	\$ 107,251
Total Revenues	\$ 261,802	\$5,147,227	\$ 738,827	\$2,674,244	\$ 415,074	\$ 586,900	\$ 9,348,201	\$ 22,325,894	\$5,944,981
EBITDA Margin	15.8%	13.3%	10.8%	10.3%	9.7%	9.5%	6.0%	5.5%	1.8%

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