



RE: Headwaters Incorporated
10653 S. River Front Parkway, Suite 300
South Jordan, UT 84095
Phone: (801) 984-9400
NYSE: HW

FOR FURTHER INFORMATION

AT THE COMPANY:
Sharon Madden
Vice President of Investor Relations
(801) 984-9400

ANALYST CONTACT:
Tricia Ross
Financial Profiles, Inc.
(916)-939-7285

IMMEDIATE RELEASE:
September 15, 2010

HEADWATERS INCORPORATED ANNOUNCES SECOND JURY VERDICT IN BOYNTON LITIGATION

SOUTH JORDAN, UTAH, SEPTEMBER 15, 2010 (NYSE: HW) – HEADWATERS INCORPORATED today announced that a jury reached a verdict after a trial for a second group of the plaintiffs which began earlier this month in the Boynton v. Headwaters case pending in the Federal District Court for the Western District of Tennessee. Boynton has been an ongoing litigation since 2000 with both trial court and appellate court proceedings. In the recently concluded second trial, the verdict was in the amount of \$7,266,771 for 46 plaintiffs representing the remaining portion of the class of former Adtech, Inc. stockholders. In June 2009, a jury in the first trial reached a verdict in the amount of \$8,745,000 for eight other members of the class and an advisory verdict on damages of \$12,680,000 on behalf of the class members that did not participate in the June 2009 trial. The recent verdict in the second trial supersedes the advisory portion of the 2009 verdict. It is expected that there will be further trial court proceedings to resolve an equitable claim as to all members of the class and Headwaters' equitable defenses. It is not expected that a final judgment will be entered by the trial court on the verdicts until all issues are concluded in the coming months. Once entered, the parties may seek relief from the judgment by motion to the trial court and by appeal from the final judgment.

Headwaters does not expect to record any expense in the September 2010 quarter as a result of this verdict. Headwaters will review the decision of the court when the final judgment has been entered. Additional background information about the Boynton matter can be found in Headwaters' previous public filings, the most recent of which is the June 30, 2010 Form 10-Q.

About Headwaters Incorporated

Headwaters Incorporated's vision is to improve sustainability by transforming underutilized resources into valuable products. Headwaters is a diversified growth company providing products, technologies and services to the heavy construction materials, light building products, and energy technology industries. Through its coal combustion products, building products, and energy businesses, the Company earns a revenue stream that helps to provide the capital to fund growth of existing and new business opportunities.

Forward Looking Statements

Certain statements contained in this press release are forward-looking statements within the meaning of federal securities laws and Headwaters intends that such forward-looking statements be subject to the safe-harbor created thereby. Forward-looking statements include Headwaters' expectations as to the managing and marketing of coal combustion products, the production and marketing of building materials and products, the production and marketing of cleaned coal, the licensing of resid hydrocracking technology and catalyst sales to oil refineries, the availability of refined coal tax credits, the development, commercialization, and financing of new technologies and other strategic business opportunities and acquisitions, and other information about Headwaters. Such statements that are not purely historical by nature, including those statements regarding Headwaters' future business plans, the operation of facilities, the availability of feedstocks, and the marketability of the coal combustion products, building products, cleaned coal, catalysts, and the availability of tax credits, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding future events and our future results that are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Actual results may vary materially from such expectations. Words such as "may," "should," "intends," "plans," "expects," "anticipates," "targets," "goals," "projects," "believes," "seeks," "estimates," or variations of such words and similar expressions, or the negative of such terms, may help identify such forward-looking statements. Any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances, are forward-looking. In addition to matters affecting the coal combustion products, building products, and energy industries or the economy generally, factors that could cause actual results to differ from expectations stated in forward-looking statements include, among others, the factors described in the caption entitled "Risk Factors" in Item 1A in Headwaters' Annual Report on Form 10-K for the fiscal year ended September 30, 2009, Quarterly Reports on Form 10-Q, and other periodic filings and prospectuses.

Although Headwaters believes that its expectations are based on reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurance that our results of operations will not be adversely affected by such factors. Unless legally required, we undertake no obligation to revise or update any forward-looking statements for any reason. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Our internet address is www.headwaters.com. There we make available, free of charge, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our reports can be accessed through the investor relations section of our web site.