VALMONT INDUSTRIES INC
Form 10-K
February 26, 2013

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.
PART IV

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 29, 2012

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number 1-31429

Valmont Industries, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	**47-0351813** (I.R.S. Employer Identification No.)
One Valmont Plaza, Omaha, Nebraska (Address of Principal Executive Offices)	**68154-5215** (Zip Code)

(402) 963-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Stock $1.00 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No o

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes o No ý

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ý	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ý

At February 19, 2013 there were 26,685,395 of the Company's common shares outstanding. The aggregate market value of the voting stock held by non-affiliates of the Company based on the closing sale price the common shares as reported on the New York Stock Exchange on June 30, 2012 was $3,217,703,409.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's proxy statement for its annual meeting of shareholders to be held on April 30, 2013 (the "Proxy Statement"), to be filed within 120 days of the fiscal year ended December 29, 2012, are incorporated by reference in Part III.

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VALMONT INDUSTRIES, INC.
Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the fiscal year ended December 29, 2012

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PART I

ITEM 1. BUSINESS.

(a) General Description of Business

General

We are a diversified global producer of fabricated metal products and are a leading producer of steel and aluminum pole, tower and other structures in our Engineered Infrastructure Products (EIP) segment, steel and concrete pole structures in our Utilities Support Structures (Utility) segment and are a global producer of mechanized irrigation systems in our Irrigation segment. We also provide metal coating services, including galvanizing, painting and anodizing in our Coatings segment. Our products sold through the EIP segment include outdoor lighting and traffic control structures, wireless communication structures and components and roadway safety and industrial access systems. Our pole structures sold through our Utility segment support electrical transmission and distribution lines and related power distribution equipment. Our Irrigation segment produces mechanized irrigation equipment that delivers water, chemical fertilizers and pesticides to agricultural crops. Customers and end-users of our products include state and federal governments, contractors, utility and telecommunications companies, manufacturers of commercial lighting fixtures and large farms as well as the general manufacturing sector. In 2012, approximately 40% of our total sales were either sold in markets or produced by our manufacturing plants outside of North America. We were founded in 1946, went public in 1968 and our shares trade on the New York Stock Exchange (ticker: VMI).

Business Strategy

Our strategy is to pursue growth opportunities that leverage our existing product portfolio, knowledge of our principal end-markets and customers and engineering capability to increase our sales, earnings and cash flow, including:

Increasing the Market Penetration of our Existing Products. Our strategy is to increase our market penetration by differentiating our products from our competitors' products through superior customer service, technological innovation and consistently high quality. For example, in recent years, our Utility segment increased its sales through our engineering capability, effective coordination of our production capacity and strong customer service to meet our customers' requirements, especially on large, complex projects. Our acquisition of Delta plc in May 2010 was in part intended to improve our market presence and penetration in the Australian lighting, communication and utility structures markets and the U.S. industrial galvanizing markets.

Bringing our Existing Products to New Markets. Our strategy is to expand the sales of our existing products into geographic areas where we do not currently have a strong presence as well as into applications for which end-users do not currently purchase our type of product. In recent years, our Utility business successfully expanded into new markets in Africa and we have also expanded our geographic presence in Europe and North Africa for lighting structures. We have also been successful introducing our pole products to utility and wireless communication applications where customers have traditionally purchased lattice tower products. Our strategy of building a manufacturing presence in China was based primarily on expanding our offering of pole structures for lighting, utility and wireless communication to the Chinese market. During 2011 we established manufacturing operations in India to provide pole structures for lighting, utility and wireless communications to the Indian market as well as galvanizing services. Our Irrigation segment has a long history of developing new mechanized irrigation markets in emerging markets. In recent years, these markets include China and Eastern Europe. Our 2012 acquisition of Pure Metal Galvanizing provides us with presence in the Canadian galvanizing market.

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Developing New Products for Markets that We Currently Serve. Our strategy is to grow by developing new products for markets where we have a comprehensive understanding of end-user requirements and longstanding relationships with key distributors and end-users. For example, in recent years we developed and sold structures for tramway applications in Europe. The customers for this product line include many of the state and local governments that purchase our lighting structures. Another example is the development and expansion of decorative product concepts for lighting applications that have been introduced to our existing customer base.

Developing New Products for New Markets and Leverage a Core Competency to Further Diversify our Business. Our strategy is to increase our sales and diversify our business by developing new products for new markets or to leverage a core competency. For example, we have been expanding our offering of specialized decorative lighting poles in the U.S. The decorative lighting market has different customers than our traditional markets and the products to serve that market are different than the poles we manufacture for the transportation and commercial markets. The acquisition of Delta gives us a presence in highway safety systems and industrial access systems, products that we believe are complementary to our existing products and provide us with future growth opportunities. The establishment and growth of our Coatings segment was based on using our expertise in galvanizing to develop what is now a global business segment.

Acquisitions

We have grown internally and by acquisition. Our significant business expansions during the past five years include the following (including the segment where the business reports):

2008

- Acquisition of 70% of the outstanding shares of a lighting structure manufacturer headquartered in Canada (EIP)
- Acquisition of the assets of a manufacturer of utility and wireless communication poles in Hazelton, Pennsylvania (Utility)
- Acquisition of the assets of a wireless communication components distributor headquartered on Long Island, New York (EIP)
- Acquisition of the assets of a materials analysis, testing and inspection services business in Pittsburgh, Pennsylvania (Utility)
- Acquisition of the assets of a hot-dipped galvanizing operation located near Louisville, Kentucky (Coatings)
- Acquisition of Stainton Metals, a steel lighting structure manufacturer located in England (EIP)

2010

- Acquisition of Delta plc, a publicly-traded company headquartered in the United Kingdom that manufactures and distributes steel engineered products, provides galvanizing services and manufactures steel forged grinding media and electrolytic manganese dioxide (EIP, Coatings, Other)

2011

- Acquisition of the remaining 40% not previously owned of Donhad Pty. Ltd., a forged steel grinding media manufacturer located in Australia (Other)
- Acquisition of an irrigation monitoring services company located in Brazil (Irrigation)

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2012

Acquisition of a galvanizing business with three locations in Ontario, Canada (Coatings)

There have been no significant divestitures of businesses in the past five years. In 2011, we exited our structures joint venture in Turkey (formed in 2008) and ceased our structures sales and distribution operation in Italy. Both of these businesses were in the EIP segment. The impact of these events on our financial statements was not material.

(b) Segments

We have four reportable segments based on our management structure. Each segment is global in nature with a manager responsible for segment operational performance and allocation of capital within the segment.

Our reportable segments are as follows:

Engineered Infrastructure Products: This segment consists of the manufacture of engineered metal structures and components for the global lighting and traffic, wireless communication, roadway safety and access systems applications;

Utility Support Structures: This segment consists of the manufacture of engineered steel and concrete structures for the global utility industry;

Coatings: This segment consists of galvanizing, anodizing and powder coating services on a global basis; and

Irrigation: This segment consists of the manufacture of agricultural irrigation equipment and related parts and services for the global agricultural industry.

Other: In addition to these four reportable segments, we have other operations and activities that individually are not more than 10% of consolidated sales, operating income or assets. These activities include the manufacture of forged steel grinding media for the mining industry, tubular products for a variety of industrial customers, electrolytic manganese dioxide for disposable batteries and the distribution of industrial fasteners.

Amounts of sales, operating income and total assets attributable to each segment for each of the last three years is set forth in Note 17 of our consolidated financial statements.

(c) Narrative Description of Business

Information concerning the principal products produced and services rendered, markets, competition and distribution methods for each of our four reportable segments is set forth below.

Engineered Infrastructure Products Segment

Products Produced We manufacture steel and aluminum poles and structures to which lighting and traffic control fixtures are attached for a wide range of outdoor lighting applications, such as streets, highways, parking lots, sports stadiums and commercial and residential developments. The demand for these products is driven by infrastructure, commercial and residential construction and by consumers' desire for well-lit streets, highways, parking lots and common areas to help make these areas safer at night and to support trends toward more active lifestyles and 24-hour convenience. In addition to safety, customers want products that are visually appealing. In Europe, we are a leader in decorative lighting poles, which are attractive as well as functional. We are leveraging this expertise to expand our decorative product sales in North America and China. Traffic poles are structures to which traffic signals are attached and aid the orderly flow of automobile traffic. While standard designs are available, poles are often engineered to customer specifications to ensure the proper function and safety of the structure. Product engineering takes into account factors such as weather (e.g. wind, ice) and the products loaded on the structure (e.g. lighting fixtures, traffic signals, overhead signs) to determine the design of the pole. This product line also includes roadway safety systems, including guard rail barrier systems, wire rope safety barriers, crash attenuation barriers and other products designed to redirect vehicles when off course and to prevent collisions between vehicles. Highway safety systems are also designed and engineered to absorb collisions and ultimately reduce roadway fatalities and injury.

We also manufacture and distribute a broad range of structures (poles and towers) and components serving the wireless communication market. A wireless communication cell site mainly consists of a steel pole or tower, shelter (enclosure where the radio equipment is located), antennas (devices that receive and transmit data and voice information to and from wireless communication devices) and components (items that are used to mount antennas to the structure and to connect cabling and other parts from the antennas to the shelter). Structures are engineered and designed to customer specifications, which include factors such as the number of antennas on the structure and wind and soil conditions. Due to the size of these structures, design is important to ensure each structure meets performance and safety specifications. We do not provide any significant installation services on the structures we sell.

The EIP segment also produces and distributes access systems. Access systems are engineered structures and components that allow people to move safely and effectively in an industrial, infrastructure or commercial facility. Access systems also are used in architectural applications. Products offered in this product line are usually engineered to specific customer requirements and include floor gratings, handrails, barriers and sunscreens.

Markets The key markets for our lighting, traffic and roadway safety products are the transportation and commercial lighting markets and public roadway building and improvement. The transportation market includes street and highway lighting and traffic control, much of which is driven by government spending programs. For example, the U.S. government funds highway and road improvement through the federal highway program. This program provides funding to improve the nation's roadway system, which includes roadway lighting and traffic control enhancements. Matching funding from the various states may be required as a condition of federal funding. The current federal highway program is now operating under a two-year extension that will expire in 2014. In North America, governments desire to improve road and highway systems by reducing traffic congestion. In the United States, there are approximately 4 million miles of public roadways, with approximately 24% carrying over 80% of the traffic. Accordingly, the need to improve traffic flow through traffic controls and lighting is a priority for many communities. Transportation markets in other areas of the world are also heavily funded by local and national governments. The commercial lighting market is mainly funded privately and includes lighting for applications such as parking lots, shopping centers, sports stadiums and business parks. The commercial lighting market is driven by macro-economic factors such as general economic growth rates, interest rates and the commercial construction economy.

The main markets for our communication products have been the wireless telephone carriers and build-to-suit companies (organizations that own cell sites and attach antennas from multiple carriers to the pole or tower structure). We also sell products to state and federal governments for two-way radio communication, radar, broadcasting and security applications. We believe long-term growth should mainly be driven by increased usage, technologies such as 4G (including applications for smart phones, such as streaming video and internet) and demand for improved emergency response systems, as part of the U.S. Homeland Security initiatives. Subscriber growth should continue to increase, although at a lower rate than in the past. In general, as the number of subscribers and usage of wireless communication devices increase, we believe this will result in demand for communication structures and components.

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Markets for access systems are typically driven by infrastructure, industrial and commercial construction spending and can be cyclical depending on economic conditions in the markets in which we compete. Customers consist of construction firms or installers who participate in infrastructure, industrial and commercial construction projects, resellers such as steel service centers and end users.

All of the products that we manufacture in this segment are parts of customer investments in basic infrastructure. The total cost of these investments can be substantial, so access to capital is often important to fund infrastructure needs. Due to the nature of these markets, demand can be cyclical as projects sometimes can be delayed due to funding or other issues.

Competition Our competitive strategy in all of the markets we serve is to provide high value to the customer at a reasonable price. We compete on the basis of product quality, high levels of customer service, timely, complete and accurate delivery of the product and design capability to provide the best solutions to our customers. There are numerous competitors in our markets, most of which are relatively small companies. Companies compete on the basis of price, product quality, reliable delivery and unique product features. Pricing can be very competitive, especially when demand is weak or when strong local currencies result in increased competition from imported products.

Distribution Methods Sales and distribution activities are handled through a combination of a direct sales force and commissioned agents. Lighting agents represent Valmont as well as lighting fixture companies and sell other related products. Sales are typically to electrical distributors, who provide the pole, fixtures and other equipment to the end user as a complete package. Commercial lighting and highway safety sales are normally made through Valmont sales employees, who work on a salary plus incentive, although some sales are made through independent, commissioned sales agents.

Utility Support Structures Segment

Products Produced We manufacture steel and concrete pole structures for electrical transmission, substation and distribution applications. Our products help move electrical power from where it is produced to where it is used. We produce tapered steel and pre-stressed concrete poles for high-voltage transmission lines, substations (which transfer high-voltage electricity to low-voltage transmission) and electrical distribution (which carry electricity from the substation to the end-user). In addition, we produce hybrid structures, which are structures with a concrete base section and steel upper sections. Utility structures can be very large, so product design engineering is important to the function and safety of the structure. Our engineering process takes into account weather and loading conditions, such as wind speeds, ice loads and the power lines attached to the structure, in order to arrive at the final design.

Markets Our sales in this segment are mainly in North America, where the key drivers in the utility business are significant upgrades in the electrical grid to support enhanced reliability standards, policy changes encouraging more generation from renewable energy sources, interconnection of regional grids to share more efficient generation to the benefit of the consumer and increased electrical consumption which has outpaced the transmission investment in the past decades. According to the Edison Electric Institute, the electrical transmission grid in the U.S. requires significant investment in the coming years to respond to the compelling industry drivers and lack of investment over the past 25 years. The expected increase in electrical consumption around the world should also require substantial investment in new electricity generation capacity which will prompt further international growth in transmission grid development. We expect these factors to result in increased demand for electrical utility structures to transport electricity from source to user.

Competition Our competitive strategy in this segment is to provide high value solutions to the customer at a reasonable price. We compete on the basis of product quality, engineering expertise, high levels of customer service and reliable, timely delivery of the product. There are many competitors.

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Companies compete on the basis of price, quality and service. Utility sales are often made through a competitive bid process, whereby the lowest bidder is awarded the contract, provided the competitor meets all other qualifying criteria. In weak markets, price is a more important criterion in the bid process.

Distribution Methods Products are normally sold through commissioned sales agents or sold directly to electrical utilities.

Coatings Segment

Services Rendered We add finishes to metals that inhibit corrosion, extend service lives and enhance physical attractiveness of a wide range of materials and products. Among the services provided include:

- Hot-dipped Galvanizing
- Anodizing
- Powder Coating
- E-Coating

In our Coatings segment, we take unfinished products from our customers and return them with a galvanized, anodized or painted finish. Galvanizing is a process that protects steel with a zinc coating that is bonded to the product surface to inhibit rust and corrosion. Anodizing is a process applied to aluminum that oxidizes the surface of the aluminum in a controlled manner, which protects the aluminum from corrosion and allows the material to be dyed a variety of colors. We also paint products using powder coating and e-coating technology (where paint is applied through an electrical charge) for a number of industries and markets.

Markets Markets for our products are varied and our profitability is not substantially dependent on any one industry or customer. Demand for coatings services generally follows the local industrial economies. Galvanizing is used in a wide variety of industrial applications where corrosion protection of steel is desired. While markets are varied, our markets for anodized or painted products are more directly dependent on consumer markets than industrial markets.

Competition The Coatings markets traditionally have been very fragmented, with a large number of competitors. Most of these competitors are relatively small, privately held companies who compete on the basis of price and personal relationships with their customers. As a result of ongoing industry consolidation, there are also several (public and private) multi-facility competitors. Our strategy is to compete on the basis of quality of the coating finish and timely delivery of the coated product to the customer. We also use the production capacity at our network of plants to assure that the customer receives quality, timely service.

Distribution Methods Due to freight costs, a galvanizing location has an effective service area of an approximate 300 to 500 mile radius. While we believe that we are globally one of the largest custom galvanizers, our sales are a small percentage of the total market. Sales and customer service are provided directly to the user by a direct sales force, generally assigned to each specific location.

Irrigation Segment

Products Produced We manufacture and distribute mechanical irrigation equipment and related service parts under the "Valley" brand name. A Valley irrigation machine usually is powered by electricity and propels itself over a farm field and applies water and chemicals to crops. Water and, in some instances, chemicals are applied through sprinklers attached to a pipeline that is supported by a series of towers, each of which is propelled via a drive train and tires. A standard mechanized irrigation

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machine (also known as a "center pivot") rotates in a circle, although we also manufacture and distribute center pivot extensions that can irrigate corners of square and rectangular farm fields as well as conform to irregular field boundaries (referred to as a "corner" machine). Our irrigation machines can also irrigate fields by moving up and down the field as opposed to rotating in a circle (referred to as a "linear" machine). Irrigation machines can be configured to irrigate fields in size from 4 acres to over 500 acres, with a standard size in the U.S. configured for a 160-acre tract of ground. One of the key components of our irrigation machine is the control system. This is the part of the machine that allows the machine to be operated in the manner preferred by the grower, offering control of such factors as on/off timing, individual field sector control, rate and depth of water and chemical application. We also offer growers options to control multiple irrigation machines through centralized computer control or mobile remote control. The irrigation machine used in international markets is substantially the same as the one produced for the North American market.

There are other forms of irrigation available to farmers, two of the most prevalent being flood irrigation and drip irrigation. In flood irrigation, water is applied through a pipe or canal at the top of the field and allowed to run down the field by gravity. Drip irrigation involves plastic pipe or tape resting on the surface of the field or buried a few inches below ground level, with water being applied gradually. We estimate that center pivot and linear irrigation comprises 45% of the irrigated acreage in North America. International markets use predominantly flood irrigation, although all forms are used to some extent.

Markets Market drivers in North American and international markets are essentially the same. Since the purchase of an irrigation machine is a capital expenditure, the purchase decision is based on the expected return on investment. The benefits a grower may realize through investment in mechanical irrigation include improved yields through better irrigation, cost savings through reduced labor and lower water and energy usage. The purchase decision is also affected by current and expected net farm income, commodity prices, interest rates, the status of government support programs and water regulations in local areas. In many international markets, the relative strength or weakness of local currencies as compared with the U.S. dollar may affect net farm income, since export markets are generally denominated in U.S. dollars.

The demand for mechanized irrigation comes from the following sources:

- Conversion from flood irrigation
- Replacement of existing mechanized irrigation machines
- Converting land that is not irrigated to mechanized irrigation

One of the key drivers in our Irrigation segment worldwide is that the usable water supply is limited. We estimate that:

- Only 2.5% of total worldwide water supply is freshwater
- Of that 2.5%, only 30% of freshwater is available to humans
- The largest user of that freshwater is agriculture

We believe these factors, along with the trend of a growing worldwide population and improving diets, reflect the need to use water more efficiently while increasing food production to feed this growing population. We believe that mechanized irrigation can improve water application efficiency by 40-90% compared with traditional irrigation methods by applying water uniformly near the root zone and reducing water runoff. Furthermore, reduced water runoff improves water quality in nearby rivers, aquifers and streams, thereby providing environmental benefits in addition to conservation of water.

Competition In North America, there are a number of entities that provide irrigation products and services to agricultural customers. We believe we are the leader of the four main participants in the mechanized irrigation business. Participants compete for sales on the basis of price, product innovation and features, product durability and reliability, quality and service capabilities of the local dealer. Pricing can become very competitive, especially in periods when market demand is low. In international markets, our competitors are a combination of our major U.S. competitors and privately-owned local companies. Competitive factors are similar to those in North America, although pricing tends to be a more prevalent competitive strategy in international markets. Since competition in international markets is local, we believe local manufacturing capability is important to competing effectively in international markets and we have that capability in key regions.

Distribution Methods We market our irrigation machines and service parts through independent dealers. There are approximately 265 dealer locations in North America, with another approximately 190 dealers serving international markets. The dealer determines the grower's requirements, designs the configuration of the machine, installs the machine (including providing ancillary products that deliver water and electrical power to the machine) and provides after-sales service. Our dealer network is supported and trained by our technical and sales teams. Our international dealers are supported through our regional headquarters in South America, South Africa, Western Europe, Australia, China and the United Arab Emirates as well as the home office in Valley, Nebraska.

General

Certain information generally applicable to each of our four reportable segments is set forth below.

Suppliers and Availability of Raw Materials.

Hot rolled steel coil and plate, zinc and other carbon steel products are the primary raw materials utilized in the manufacture of finished products for all segments. We purchase these essential items from steel mills, zinc producers and steel service centers and are usually readily available. While we may experience increased lead times to acquire materials and volatility in our purchase costs, we do not believe that key raw materials would be unavailable for extended periods. We have not experienced extended or wide-spread shortages of steel during this time, due to what we believe are strong relationships with some of the major steel producers. In the past several years, we experienced volatility in zinc and natural gas prices, but we did not experience any disruptions to our operations due to availability.

Patents, Licenses, Franchises and Concessions.

We have a number of patents for our manufacturing machinery, poles and irrigation designs. We also have a number of registered trademarks. We do not believe the loss of any individual patent would have a material adverse effect on our financial condition, results of operations or liquidity.

Seasonal Factors in Business.

Sales can be somewhat seasonal based upon the agricultural growing season and the infrastructure construction season. Sales of mechanized irrigation equipment to farmers are traditionally higher during the spring and fall and lower in the summer. Sales of infrastructure products are traditionally higher summer and fall and lower in the winter.

Customers.

We are not dependent for a material part of any segment's business upon a single customer or upon very few customers. The loss of any one customer would not have a material adverse effect on our financial condition, results of operations or liquidity.

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Backlog.

The backlog of orders for the principal products manufactured and marketed was $902.5 million at the end of the 2012 fiscal year and $703.0 million at the end of the 2011 fiscal year. We anticipate that most of the 2012 backlog of orders will be filled during fiscal year 2013. At year-end, the segments with backlog were as follows (dollar amounts in millions):

	12/29/2012	12/31/2011
Engineered Infrastructure Products	$ 211.9	$ 207.5
Utility Support Structures	434.0	382.6
Irrigation	230.6	97.5
Coatings	1.4	
Other	24.6	15.4
	$ 902.5	$ 703.0

Research Activities.

The information called for by this item is included in Note 1 of our consolidated financial statements.

Environmental Disclosure.

We are subject to various federal, state and local laws and regulations pertaining to environmental protection and the discharge of materials into the environment. Although we continually incur expenses and make capital expenditures related to environmental protection, we do not anticipate that future expenditures should materially impact our financial condition, results of operations, or liquidity.

Number of Employees.

At December 29, 2012, we had 10,543 employees.

(d) Financial Information About Geographic Areas

Our international sales activities encompass over 100 foreign countries. The information called for by this item is included in Note 17 of our consolidated financial statements. While Australia accounted for approximately 16% of our net sales in 2012, no other foreign country accounted for more than 5% of our net sales. Net sales for purposes of Note 17 include sales to outside customers.

(e) Available Information

We make available, free of charge through our Internet web site at *http://www.valmont.com*, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission.

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ITEM 1A. RISK FACTORS.

The following risk factors describe various risks that may affect our business, financial condition and operations.

Increases in prices and reduced availability of key raw materials such as steel, aluminum and zinc will increase our operating costs and likely reduce our profitability.

Hot rolled steel coil and other carbon steel products have historically constituted approximately one-third of the cost of manufacturing our products. We also use large quantities of aluminum for lighting structures and zinc for the galvanization of most of our steel products. The markets for the commodities that we use in our manufacturing processes can be volatile. The following factors increase the cost and reduce the availability of steel, aluminum and zinc for us:

- increased demand, which occurs when other industries purchase greater quantities of these commodities at times when we require more steel, aluminum and zinc for manufacturing, which can result in higher prices and lengthen the time it takes to receive material from suppliers;
- increased freight costs, because our manufacturing sites are usually not located near the major steel, aluminum and zinc manufacturers;
- lower production levels of these commodities, due to reduced production capacities or shortages of materials needed to produce these commodities (such as coke and scrap steel for the production of steel) which could result in reduced supplies of these commodities, higher costs for us and increased lead times to acquire material;
- lower inventory levels at suppliers when major steel users, such as the automobile manufacturers, increase their orders, which can reduce available inventory for us to meet our requirements;
- increased cost of major inputs, such as scrap steel, coke, iron ore and energy;
- fluctuations in foreign exchange rates can impact the relative cost of these commodities, which may affect the cost effectiveness of imported materials and limit our options in acquiring these commodities; and
- international trade disputes, import duties and quotas, since we import some steel for our domestic and foreign manufacturing facilities.

Increases in the selling prices of our products may not fully recover additional steel, aluminum and zinc costs and generally lag increases in our costs of these commodities. Consequently, an increase in steel, aluminum and zinc prices will increase our operating costs and likely reduce our profitability.

Rising steel prices in 2010 and 2011 put pressure on gross profit margins, especially in our Engineered Infrastructure Products and Utility Support Structures segments. In both of these segments, the elapsed time between the quotation of a sales order and the manufacturing of the product ordered can be several months. As some of these sales are fixed price contracts, rapid increases in steel costs likely will result in lower operating income in these businesses. We believe the volatility over the past several years was due to significant increases in global steel production and consumption (especially in rapidly growing economies, such as China and India). The strong global demand for steel led to rapidly rising costs in key steel-making materials (such as coke, iron ore and scrap steel), thereby raising prices to companies that manufacture products from steel. Under such circumstances, steel supplies may become tighter and impact our ability to acquire steel and meet customer requirements on a timely basis. The speed with which steel suppliers impose price increases on us may prevent us from fully recovering these price increases and result in reduced operating margins, particularly in our lighting and traffic and utility businesses.

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Increases in energy prices will increase our operating costs and likely reduce our profitability.

We use energy to manufacture and transport our products. Our costs of transportation and heating will increase if energy costs rise, which may occur due to additional energy usage caused by severe winter weather conditions and higher oil, gasoline and natural gas prices. Our galvanizing operations are susceptible to fluctuations in natural gas prices because we heat our processing tanks with natural gas. During periods of higher energy costs, we may not be able to recover our increased operating costs through sales price increases without reducing demand for our products. While we hedge a portion of our exposure to higher prices via energy futures contracts, increases in energy prices will increase our operating costs and likely reduce our profitability.

The ultimate consumers of our products operate in cyclical industries that have been subject to significant downturns which have adversely impacted our sales in the past and may again in the future.

Our sales are sensitive to the market conditions present in the industries in which the ultimate consumers of our products operate, which in some cases have been highly cyclical and subject to substantial downturns. For example, a significant portion of our sales of support structures is to the electric utility industry. Our sales to the U.S. electric utility industry were over $850 million in 2012. Purchases of our products are deferrable to the extent that utilities may reduce capital expenditures for reasons such as unfavorable regulatory environments, a slow U.S. economy or financing constraints. In the event of weakness in the demand for utility structures due to reduced or delayed spending for electrical generation and transmission projects, our sales and operating income likely will decrease.

The end users of our mechanized irrigation equipment are farmers and, as a result, sales of those products are affected by economic changes within the agriculture industry, particularly the level of farm income. From time to time, lower levels of farm income resulted in reduced demand for our mechanized irrigation and tubing products. Farm income decreases when commodity prices, acreage planted, crop yields, government subsidies and export levels decrease. In addition, weather conditions, such as extreme drought may result in reduced availability of water for irrigation, and can affect farmers' buying decisions. Farm income can also decrease as farmers' operating costs increase. Increases in oil and natural gas prices result in higher costs of energy and nitrogen-based fertilizer (which uses natural gas as a major ingredient). Furthermore, uncertainty as to future government agricultural policies may cause indecision on the part of farmers. The status and trend of government farm supports, financing aids and policies regarding the ability to use water for agricultural irrigation can affect the demand for our irrigation equipment. In the United States, certain parts of the country are considering policies that would restrict usage of water for irrigation. All of these factors may cause farmers to delay capital expenditures for farm equipment. Consequently, downturns in the agricultural industry will likely result in a slower, and possibly a negative, rate of growth in irrigation equipment and tubing sales.

We have also experienced cyclical demand for those of our products that we sell to the wireless communications industry. Sales of wireless structures to wireless carriers and build-to-suit companies that serve the wireless communications industry have historically been cyclical. These customers may elect to curtail spending on new structures to focus on cash flow and capital management. Weak market conditions have led to competitive pricing in recent years, putting pressure on our profit margins on sales to this industry. Changes in the competitive structure of the wireless industry, due to industry consolidation or reorganization, may interrupt capital plans of the wireless carriers as they assess their networks.

As a result of the cyclical nature of these markets, we have experienced, and in the future we may experience, significant fluctuations in our sales and operating income with respect to a substantial portion of our total product offering, and such fluctuations could be material and adverse to our overall financial condition, results of operations and liquidity.

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Demand for our infrastructure products and coating services is highly dependent upon the overall level of infrastructure spending.

We manufacture and distribute engineered infrastructure products for lighting and traffic, utility and other specialty applications. Our Coatings segments serve many construction-related industries. Because these products are used primarily in infrastructure construction, sales in these businesses are highly correlated with the level of construction activity, which historically has been cyclical. Construction activity by our private and government customers is affected by and can decline because of, a number of factors, including (but not limited to):

- weakness in the general economy, which may negatively affect tax revenues, resulting in reduced funds available for construction;
- interest rate increases, which increase the cost of construction financing; and
- adverse weather conditions which slow construction activity.

The current economic uncertainty and slowness in the United States and Europe will have some negative effect on our business. In our North American lighting product line, some of our lighting structure sales are for new residential and commercial areas. As residential and commercial construction remains weak, we have experienced some negative impact on our light pole sales to these markets. In a broader sense, in the event of an overall downturn in the economies in Europe, Australia or China, we may experience decreased demand if our customers have difficulty securing credit for their purchases from us.

In addition, sales in our Engineered Infrastructure Products segment, particularly our lighting, traffic and highway safety products, are highly dependent upon federal, state, local and foreign government spending on infrastructure development projects, such as the U.S. federal highway program. The level of spending on such projects may decline for a number of reasons beyond our control, including, among other things, budgetary constraints affecting government spending generally or transportation agencies in particular, decreases in tax revenues and changes in the political climate, including legislative delays, with respect to infrastructure appropriations. For instance, the lack of long-term U.S. federal highway spending legislation has had a negative impact on our sales in this market. A substantial reduction in the level of government appropriations for infrastructure projects could have a material adverse effect on our results of operations or liquidity.

We may lose some of our foreign investment or our foreign sales and profits may be reduced because of risks of doing business in foreign markets.

We are an international manufacturing company with operations around the world. At December 29, 2012, we operated over 90 manufacturing plants, located on six continents, and sold our products in more than 100 countries. In 2012, approximately 40% of our total sales were either sold in markets or produced by our manufacturing plants outside of North America. We have operations in geographic markets that have recently experienced political instability, such as the Middle East, and economic uncertainty, such as Western Europe. We also have a significant manufacturing presence in Australia, Europe and China. We expect that international sales will continue to account for a significant percentage of our net sales into the foreseeable future. Accordingly, our foreign business operations and our foreign sales and profits are subject to the following potential risks:

- political and economic instability where we have foreign business operations, resulting in the reduction of the value of, or the loss of, our investment;
- recessions in economies of countries in which we have business operations, decreasing our international sales;

- difficulties and costs of staffing and managing our foreign operations, increasing our foreign operating costs and decreasing profits;

- difficulties in enforcing our rights outside the United States for patents on our manufacturing machinery, poles and irrigation designs;

- increases in tariffs, export controls, taxes and other trade barriers reducing our international sales and our profit on these sales; and

- acts of war or terrorism.

As a result, we may lose some of our foreign investment or our foreign sales and profits may be materially reduced because of risks of doing business in foreign markets.

We are subject to currency fluctuations from our international sales, which can negatively impact our reported earnings.

We sell our products in many countries around the world. Approximately 40% of our fiscal 2012 sales were generated by export demand or foreign markets and are often made in foreign currencies, mainly the Australian dollar, euro, Brazilian real, Canadian dollar, Chinese renminbi and South African rand. Because our financial statements are denominated in U.S. dollars, fluctuations in currency exchange rates between the U.S. dollar and other currencies have had and will continue to have an impact on our reported earnings. If the U.S. dollar weakens or strengthens versus the foreign currencies mentioned above, the result will be an increase or decrease in our reported sales and earnings, respectively. Currency fluctuations have affected our financial performance in the past and may affect our financial performance in any given period. In cases where local currencies are strong, the relative cost of goods imported from outside our country of operation becomes lower and affects our ability to compete profitably in our home markets. We experienced increased pricing competition in our access systems product line in Australia in 2011 and 2012, due in part to the strong Australian dollar and resulting competition from companies outside of Australia.

We also face risks arising from the imposition of foreign exchange controls and currency devaluations. Exchange controls may limit our ability to convert foreign currencies into U.S. dollars or to remit dividends and other payments by our foreign subsidiaries or businesses located in or conducted within a country imposing controls. Currency devaluations result in a diminished value of funds denominated in the currency of the country instituting the devaluation. Actions of this nature could have a material adverse effect on our results of operations and financial condition in any given period.

We face strong competition in our markets.

We face competitive pressures from a variety of companies in each of the markets we serve. Our competitors include companies who provide the technologies that we provide as well as companies who provide competing technologies, such as drip irrigation. Our competitors include international, national, and local manufacturers, some of whom may have greater financial, manufacturing, marketing and technical resources than we do, or greater penetration in or familiarity with a particular geographic market than we have. In addition, certain of our competitors, particularly with respect to our utility and wireless communication product lines, have sought bankruptcy protection in recent years, and may emerge with reduced debt service obligations, which could allow them to operate at pricing levels that put pressures on our margins. Some of our customers have moved manufacturing operations or product sourcing overseas, which can negatively impact our sales of galvanizing and anodizing services. To remain competitive, we will need to invest continuously in manufacturing, product development and customer service, and we may need to reduce our prices, particularly with respect to customers in industries that are experiencing downturns. We cannot provide assurance that we will be able to maintain our competitive position in each of the markets that we serve.

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We could incur substantial costs as the result of violations of, or liabilities under, environmental laws.

Our facilities and operations are subject to U.S. and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, and the cleanup of contamination. Failure to comply with these laws and regulations, or with the permits required for our operations, could result in fines or civil or criminal sanctions, third party claims for property damage or personal injury, and investigation and cleanup costs. Potentially significant expenditures could be required in order to comply with environmental laws that may be adopted or imposed in the future.

Certain of our facilities have been in operation for many years and, over time, we and other predecessor operators of these facilities have generated, used, handled and disposed of hazardous and other regulated wastes. Contaminants have been detected at some of our present and former sites, principally in connection with historical operations. In addition, from time to time we have been named as a potentially responsible party under Superfund or similar state laws. While we are not aware of any contaminated sites that are not provided for in our financial statements, including third-party sites, at which we may have material obligations, the discovery of additional contaminants or the imposition of additional cleanup obligations at these sites could result in significant liability beyond amounts provided for in our financial statements.

We may not realize the improved operating results that we anticipate from acquisitions we may make in the future, and we may experience difficulties in integrating the acquired businesses or may inherit significant liabilities related to such businesses.

We explore opportunities to acquire businesses that we believe are related to our core competencies from time to time, some of which may be material to us. We expect such acquisitions will produce operating results better than those historically experienced or presently expected to be experienced in the future by us in the absence of the acquisition. We cannot provide assurance that this assumption will prove correct with respect to any acquisition.

Any future acquisitions may present significant challenges for our management due to the time and resources required to properly integrate management, employees, information systems, accounting controls, personnel and administrative functions of the acquired business with those of Valmont and to manage the combined company on a going forward basis. We may not be able to completely integrate and streamline overlapping functions or, if such activities are successfully accomplished, such integration may be more costly to accomplish than presently contemplated. We may also have difficulty in successfully integrating the product offerings of Valmont and acquired businesses to improve our collective product offering. Our efforts to integrate acquired businesses could be affected by a number of factors beyond our control, including general economic conditions. In addition, the process of integrating acquired businesses could cause the interruption of, or loss of momentum in, the activities of our existing business. The diversion of management's attention and any delays or difficulties encountered in connection with the integration acquired businesses could adversely impact our business, results of operations and liquidity, and the benefits we anticipate may never materialize. These factors are relevant to any acquisition we undertake.

In addition, although we conduct reviews of businesses we acquire, we may be subject to unexpected claims or liabilities, including environmental cleanup costs, as a result of these acquisitions. Such claims or liabilities could be costly to defend or resolve and be material in amount, and thus could materially and adversely affect our business and results of operations and liquidity.

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We have, from time to time, maintained a substantial amount of outstanding indebtedness, which could impair our ability to operate our business and react to changes in our business, remain in compliance with debt covenants and make payments on our debt.

As of December 29, 2012, we had approximately $486 million of total indebtedness outstanding. We had $385 million of additional borrowing capacity under our revolving credit facility at December 29, 2012. We normally borrow money to make business acquisitions and major capital expenditures. From time to time, our borrowings have been significant. Our level of indebtedness could have important consequences, including:

- our ability to satisfy our obligations under our debt agreements could be affected and any failure to comply with the requirements, including significant financial and other restrictive covenants, of any of our debt agreements could result in an event of default under the agreements governing our indebtedness;

- a substantial portion of our cash flow from operations will be required to make interest and principal payments and will not be available for operations, working capital, capital expenditures, expansion, or general corporate and other purposes, including possible future acquisitions that we believe would be beneficial to our business;

- our ability to obtain additional financing in the future may be impaired;

- we may be more highly leveraged than our competitors, which may place us at a competitive disadvantage;

- our flexibility in planning for, or reacting to, changes in our business and industry may be limited; and

- our degree of leverage may make us more vulnerable in the event of a downturn in our business, our industry or the economy in general.

Any of these factors could have a material adverse effect on our business, financial condition, results of operations, cash flows and business prospects.

The restrictions and covenants in our debt agreements could limit our ability to obtain future financings, make needed capital expenditures, withstand a future downturn in our business, or the economy in general, or otherwise conduct necessary corporate activities. These covenants may prevent us from taking advantage of business opportunities that arise.

A large share of our consolidated cash balances are outside the United States and most of our interest-bearing debt is carried by U.S. entities. In the event that we would have to repatriate cash from international operations to meet cash needs in the U.S., we are likely to incur significant income tax expenses to repatriate that cash.

A breach of any of these covenants would result in a default under the applicable debt agreement. A default, if not waived, could result in acceleration of the debt outstanding under the agreement and in a default with respect to, and acceleration of, the debt outstanding under our other debt agreements. The accelerated debt would become immediately due and payable. If that should occur, we may not be able to pay all such debt or to borrow sufficient funds to refinance it. Even if new financing were then available, it may not be on terms that are favorable to us.

We assumed an underfunded pension liability as part of the Delta acquisition and the combined company may be required to increase funding of the plan and/or be subject to restrictions on the use of excess cash.

Delta is the sponsor of a defined benefit pension plan that, as of December 29, 2012, covered approximately 7,000 members in the United Kingdom. All of these members are inactive or retired former Delta employees. At December 29, 2012, this plan was, for accounting purposes, underfunded by approximately £69.5 million ($112.0 million). Although this underfunded position and the current agreement with the trustees of the pension plan for annual funding was approximately £6.3 million ($10.2 million) in respect of the funding shortfall and approximately £1.0 million ($1.6 million) in respect of administrative expenses were considered in determining the offer price for Delta shares, the underfunded position may adversely affect the combined company as follows:

Laws and regulations normally require a new funding plan to be agreed every three years. The new funding plan is being developed and is to be agreed with the plan trustees by June 30, 2013. Changes in actuarial assumptions, including future discount, inflation and interest rates, investment returns and mortality rates, may increase the underfunded position of the pension plan and cause the combined company to increase its funding levels in the pension plan to cover underfunded liabilities.

The pension plan is regulated in the United Kingdom and trustees represent the interests of covered workers. Laws and regulations could create an immediate funding obligation to the pension plan which could be significantly greater than the £69.5 million ($112.0 million) assumed for accounting purposes as of December 29, 2012 and calculated by reference to the cost of buying out liabilities on the insurance market, and could impact the ability to use Delta's existing cash or the combined company's future excess cash to grow the business or finance other obligations. The use of Delta's cash and future cash flows beyond the operation of Delta's business or the satisfaction of Delta's obligations would require negotiations with the trustees and regulators.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

Our corporate headquarters are located in a leased facility in Omaha, Nebraska, under a lease expiring in 2016. The headquarters of the Company's reportable segments are located in Valley, Nebraska except for the headquarters of the Company's Utility Support Structures segment, which is located in Birmingham, Alabama. We also maintain a management headquarters in Sydney, Australia. Most of our significant manufacturing locations are owned or are subject to long-term renewable leases. Our principal manufacturing locations are in Valley, Nebraska, McCook, Nebraska, Tulsa, Oklahoma, Brenham, Texas, Charmeil, France and Shanghai, China. All of these facilities are owned by us. We believe that our manufacturing capabilities and capacities are adequate for us to effectively serve our customers. Our capital spending programs consist of investment for replacement, achieving operational efficiencies and expand capacities where needed. Our principal operating locations by reportable segment are listed below.

Engineered Infrastructure Products segment North America manufacturing locations are in Nebraska, Texas, Indiana, Minnesota, Oregon, Washington and Canada. The largest of these operations are in Valley, Nebraska and Brenham, Texas, both of which are owned facilities. We have communication components distribution locations in New York, California and Georgia. International locations are in France, the Netherlands, Finland, Estonia, England, Germany, Poland, Morocco, Australia, Indonesia, the Philippines, Thailand, Malaysia, India and China. The largest of these operations are in Charmeil, France and Shanghai, China, both of which are owned facilities. Access systems manufacturing locations are located in Australia, Indonesia, the Philippines, Thailand, Malaysia and China.

Utility Support Structures segment North America manufacturing locations are in Alabama, Georgia, Florida, California, Texas, Oklahoma, Pennsylvania, Tennessee, Kansas and Mexico. The largest of these operations are in Tulsa, Oklahoma and Mansfield and Bellville, Texas. The Tulsa and

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Bellville facilities are owned and the Mansfield facility is leased. Principal international manufacturing locations are in China and France.

Coatings segment North America operations include U.S. operations located in Nebraska, Illinois, California, Minnesota, Kansas, Iowa, Indiana, Oregon, Utah, Oklahoma, Virginia, Alabama, Florida and South Carolina and three locations near Toronto, Canada. International operations are located in Australia, Malaysia and India.

Irrigation segment North America manufacturing operations are located in Valley and McCook, Nebraska. Our principal manufacturing operations serving international markets are located in Uberaba, Brazil, Nigel, South Africa, Jebel Ali, United Arab Emirates, Madrid, Spain and Shandong, China. All facilities are owned except for China, which is leased.

Our other North America operations are located in Nebraska and Oregon. International operations are located in Australia (forged steel grinding media) and South Africa (electrolytic manganese dioxide).

ITEM 3. LEGAL PROCEEDINGS.

We are not a party to, nor are any of our properties subject to, any material legal proceedings. We are, from time to time, engaged in routine litigation incidental to our businesses.

ITEM 4. MINE SAFETY DISCLOSURES.

Not Applicable.

Executive Officers of the Company

Our executive officers at February 16, 2013, their ages, positions held, and the business experience of each during the past five years are, as follows:

Mogens C. Bay, age 64, Chairman and Chief Executive Officer since January 1997.

Terry J. McClain, age 65, Senior Vice President and Chief Financial Officer since January 1997.

Todd G. Atkinson, age 56, Executive Vice President since February 2011. Chief Executive Officer of Delta plc from July 2003 until February 2011.

Richard P. Heyse, age 50, Executive Vice President since January 2013. Vice President and Chief Financial Officer of WESCO International, Inc. from June 2009 to February 2012. Vice President and Chief Financial Officer of Polyconcept, Inc. from June 2012 to December 2012. Vice President and Chief Financial Officer of Innophos Holdings from April 2005 to May 2009.

Mark C. Jaksich, age 55, Vice President and Controller since February 2000.

Walter P. Pasko, age 62, Vice President-Procurement since May 2002.

Brian J. Desigio, age 43, Vice President-Corporate Development since April 2008. Senior Vice President at Fairmount Food Group from January 2006 to April 2008.

Vanessa K. Brown, age 60, Vice President-Human Resources since July 2011. Director of Human Resources of North America Engineered Infrastructure Products division from 1997 until 2011.

Stephen G. Kaniewski, age 41, Vice President of Information Technology since August 2010. Vice President of Global IT Applications at Belden Inc. from September 2007 until August 2010.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common stock is traded on the New York Stock Exchange under the symbol "VMI". We had approximately 4,500 shareholders of common stock at December 29, 2012. Other stock information required by this item is included in Note 19 "Quarterly Financial Data (unaudited)" to the consolidated financial statements and incorporated herein by reference.

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased	(b) Average Price paid per share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
September 30, 2012 to October 27, 2012	2,539	$ 134.16		
October 28, 2012 to December 1, 2012	8,605	139.10		
December 2, 2012 to December 29, 2012	4,244	138.68		
Total	15,388	$ 138.17		

During the fourth quarter, the shares reflected above were those delivered to the Company by employees as part of stock option exercises, either to cover the purchase price of the option or the related taxes payable by the employee as part of the option exercise. The price paid per share was the market price at the date of exercise.

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ITEM 6. SELECTED FINANCIAL DATA.

SELECTED FIVE-YEAR FINANCIAL DATA

(Dollars in thousands, except per share amounts)	2012	2011 (3)	2010 (2)	2009	2008
Operating Data					
Net sales	$ 3,029,541	$ 2,661,480	$ 1,975,505	$ 1,786,601	$ 1,907,278
Operating income	382,296	263,310	178,413	237,994	228,591
Net earnings attributable to Valmont Industries, Inc.(1)	234,072	228,308	94,379	150,562	132,397
Depreciation and amortization	70,218	74,560	59,663	44,748	39,597
Capital expenditures	97,074	83,069	36,092	44,129	50,879
Per Share Data					
Earnings:					
Basic(1)	$ 8.84	$ 8.67	$ 3.62	$ 5.80	$ 5.13
Diluted(1)	8.75	8.60	3.57	5.73	5.04
Cash dividends declared	0.855	0.705	0.645	0.580	0.495
Financial Position					
Working capital	$ 1,013,507	$ 844,873	$ 747,312	$ 458,605	$ 475,215
Property, plant and equipment, net	512,612	454,877	439,609	283,088	269,320
Total assets	2,568,551	2,306,076	2,090,743	1,302,169	1,326,288
Long-term debt, including current installments	472,817	474,650	468,834	160,482	338,032
Total Valmont Industries, Inc. shareholders' equity.	1,349,912	1,146,962	915,892	786,261	624,131
Cash flow data:					
Net cash flows from operating activities	$ 197,097	$ 149,671	$ 152,220	$ 349,520	$ 52,575
Net cash flows from investing activities	(136,692)	(84,063)	(262,713)	(43,595)	(194,077)
Net cash flows from financing activities	(16,355)	(45,911)	269,685	(198,400)	108,753
Financial Measures					
Invested capital(a)	$ 1,981,502	$ 1,769,461	$ 1,577,707	$ 1,029,970	$ 1,043,684
Return on invested capital(a)	13.2%	11.0%	8.8%	15.6%	16.4%
EBITDA(b)	$ 462,417	$ 343,633	$ 239,997	$ 283,964	$ 260,474
Return on beginning shareholders' equity(c)	20.4%	24.9%	12.0%	24.1%	25.9%
Long-term debt as a percent of invested capital(d)	23.9%	26.8%	29.7%	15.6%	32.4%
Year End Data					
Shares outstanding (000)	26,674	26,481	26,374	26,297	26,168
Approximate number of shareholders	4,500	5,000	5,200	5,400	5,800
Number of employees	10,543	9,476	9,188	6,626	7,380

(1) Fiscal 2011 included $66,026 ($2.49 per share) of income tax benefits associated with a legal entity restructuring resulting in the removal of valuation allowances on deferred income tax assets and increased income tax basis in certain assets.

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(2)

On May 12, 2010, the Company acquired Delta plc (Delta). The financial results of Delta are included in the Company's consolidated accounts starting on that date. Fiscal 2011 and 2012, accordingly, include a full year of Delta's operating results.

(3)

Fiscal 2011 was a 53 week fiscal year.

(a)

Return on Invested Capital is calculated as Operating Income (after-tax) divided by the average of beginning and ending Invested Capital. Invested Capital represents total assets minus total liabilities (excluding interest-bearing debt). Return on Invested Capital is one of our key operating ratios, as it allows investors to analyze our operating performance in light of the amount of investment required to generate our operating profit. Return on Invested Capital is also a measurement used to determine management incentives. Return on Invested Capital is not a measure of financial performance or liquidity under generally accepted accounting principles (GAAP). Accordingly, Invested Capital and Return on Invested Capital should not be considered in isolation or as a substitute for net earnings, cash flows from operations or other income or cash flow data prepared in accordance with GAAP or as a measure of our operating performance or liquidity. The table below shows how Invested Capital and Return on Invested Capital are calculated from our income statement and balance sheet.

	2012	**2011**	**2010**	**2009**	**2008**
Operating income	$ 382,296	$ 263,310	$ 178,413	$ 237,994	$ 228,591
Effective tax rate(1)	35.2%	30.2%	36.0%	32.2%	34.2%
Tax effect on operating income	(134,568)	(79,520)	(64,153)	(76,634)	(78,178)
After-tax operating income	247,728	183,790	114,260	161,360	150,413
Average invested capital	1,875,482	1,673,584	1,303,839	1,036,827	919,235
Return on invested capital	13.2%	11.0%	8.8%	15.6%	16.4%
Total assets	$ 2,568,551	$ 2,306,076	$ 2,090,743	$ 1,302,169	$ 1,326,288
Less: Accounts and income taxes payable	(212,424)	(234,537)	(179,814)	(118,210)	(136,868)
Less: Accrued expenses	(180,408)	(157,128)	(153,686)	(122,532)	(119,858)
Less: Defined benefit pension liability	(112,043)	(68,024)	(104,171)		
Less: Deferred compensation	(31,920)	(30,741)	(23,300)	(20,503)	(16,721)
Less: Other noncurrent liabilities	(44,252)	(41,418)	(47,713)	(7,010)	(5,755)
Less: Dividends payable	(6,002)	(4,767)	(4,352)	(3,944)	(3,402)
Total Invested capital	$ 1,981,502	$ 1,769,461	$ 1,577,707	$ 1,029,970	$ 1,043,684
Beginning of year invested capital	$ 1,769,461	$ 1,577,707	$ 1,029,970	$ 1,043,684	$ 794,786
Average invested capital	$ 1,875,482	$ 1,673,584	$ 1,303,839	$ 1,036,827	$ 919,235

(1)

The effective tax rate in 2011 does not include the effects of the legal entity reorganization executed in late 2011 (approximately $66.0 million). The effective tax rate including the effect of the restructuring was 2.0%.

Return on invested capital, as presented, may not be comparable to similarly titled measures of other companies.

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(b)

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) is one of our key financial ratios in that it is the basis for determining our maximum borrowing capacity at any one time. Our bank credit agreements contain a financial covenant that our total interest-bearing debt not exceed 3.50x EBITDA for the most recent four quarters. If this covenant is violated, we may incur additional financing costs or be required to pay the debt before its maturity date. EBITDA is not a measure of financial performance or liquidity under GAAP and, accordingly, should not be considered in isolation or as a substitute for net earnings, cash flows from operations or other income or cash flow data prepared in accordance with GAAP or as a measure of our operating performance or liquidity. The calculation of EBITDA is as follows:

	2012	2011	2010	2009	2008
Net cash flows from operations	$ 197,097	$ 149,671	$ 152,220	$ 349,520	$ 52,575
Interest expense	31,625	36,175	30,947	15,760	18,267
Income tax expense	126,502	4,590	55,008	72,894	70,213
Deferred income tax (expense) benefit	(3,720)	84,962	(5,017)	(7,375)	4,502
Noncontrolling interest	(4,844)	(8,918)	(6,034)	(3,379)	(3,823)
Equity in earnings of nonconsolidated subsidiaries	6,128	8,059	2,439	751	914
Stock-based compensation	(5,829)	(5,931)	(7,154)	(6,586)	(4,736)
Pension plan expense	(4,281)	(5,449)	(5,874)		
Contribution to pension plan	11,591	11,860			
Payment of deferred compensation			393	267	1,260
Changes in assets and liabilities, net of acquisitions	108,469	69,307	26,272	(136,944)	123,866
Other	(321)	(693)	(3,203)	(944)	(2,564)
EBITDA	$ 462,417	$ 343,633	$ 239,997	$ 283,964	$ 260,474

	2012	2011	2010	2009	2008
Net earnings attributable to Valmont Industries, Inc.	$ 234,072	$ 228,308	$ 94,379	$ 150,562	$ 132,397
Interest expense	31,625	36,175	30,947	15,760	18,267
Income tax expense	126,502	4,590	55,008	72,894	70,213
Depreciation and amortization expense	70,218	74,560	59,663	44,748	39,597
EBITDA	$ 462,417	$ 343,633	$ 239,997	$ 283,964	$ 260,474

EBITDA, as presented, may not be comparable to similarly titled measures of other companies.

(c)

Return on beginning shareholders' equity is calculated by dividing Net earnings attributable to Valmont Industries, Inc. by the prior year's ending Total Valmont Industries, Inc. shareholders' equity.

(d)

Long-term debt as a percent of invested capital is calculated as the sum of Current portion of long-term debt and Long-term debt divided by Total Invested Capital. This is one of our key financial ratios in that it measures the amount of financial leverage on our balance sheet at any point in time. We also have covenants under our major debt agreements that relate to the amount of debt we carry. If those covenants are violated, we may incur additional financing costs or be required to pay the debt before its maturity date. We have an internal target to maintain this ratio at or below 40%. This ratio may exceed 40% from time to time to take advantage of opportunities to grow and improve our businesses. Long-term debt as a percent of invested capital is not a measure of financial performance or liquidity under GAAP and, accordingly, should not be considered in isolation or as a substitute for net earnings, cash flows from operations or other income or cash flow data prepared in accordance with GAAP or as a measure of our operating performance or liquidity. The calculation of this ratio is as follows:

	2012	2011	2010	2009	2008
Current portion of long-term debt	$ 224	$ 235	$ 238	$ 231	$ 904
Long-term debt	472,593	474,415	468,596	160,251	337,128
Total long-term debt	472,817	474,650	468,834	160,482	338,032
Total invested capital	1,981,502	1,769,461	1,577,707	1,029,970	1,043,684
Long-term debt as a percent of invested capital	23.9%	26.8%	29.7%	15.6%	32.4%

Long-term debt as a percent of invested capital, as presented, may not be comparable to similarly titled measures of other companies.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Forward-Looking Statements

Management's discussion and analysis, and other sections of this annual report, contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on assumptions that management has made in light of experience in the industries in which the Company operates, as well as management's perceptions of historical trends, current conditions, expected future developments and other factors believed to be appropriate under the circumstances. These statements are not guarantees of performance or results. They involve risks, uncertainties (some of which are beyond the Company's control) and assumptions. Management believes that these forward-looking statements are based on reasonable assumptions. Many factors could affect the Company's actual financial results and cause them to differ materially from those anticipated in the forward-looking statements. These factors include, among other things, risk factors described from time to time in the Company's reports to the Securities and Exchange Commission, as well as future economic and market circumstances, industry conditions, company performance and financial results, operating efficiencies, availability and price of raw materials, availability and market acceptance of new products, product pricing, domestic and international competitive environments, and actions and policy changes of domestic and foreign governments.

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of our consolidated results of operations and financial position. This discussion should be read in conjunction with the Consolidated Financial Statements and related Notes.

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General

	2012	2011	Change 2012 - 2011	2010	Change 2011 - 2010
	Dollars in millions, except per share amounts				
Consolidated					
Net sales	$ 3,029.5	$ 2,661.5	13.8%	$ 1,975.5	34.7%
Gross profit	802.5	666.8	20.4%	519.6	28.3%
as a percent of sales	26.5%	25.1%		26.3%	
SG&A expense	420.2	403.5	4.1%	341.2	18.3%
as a percent of sales	13.9%	15.2%		17.3%	
Operating income	382.3	263.3	45.2%	178.4	47.6%
as a percent of sales	12.6%	9.9%		9.0%	
Net interest expense	23.4	26.9	(13.0)%	26.1	3.1%
Effective tax rate	35.2%	2.0%		36.0%	
Net earnings	234.1	228.3	2.5%	94.4	141.8%
Diluted earnings per share	$ 8.75	$ 8.60	1.7%	$ 3.57	140.9%
Engineered Infrastructure Products Segment					
Net sales	$ 833.3	$ 792.6	5.1%	$ 669.2	18.4%
Gross profit	210.0	186.5	12.6%	179.5	3.9%
SG&A expense	156.0	145.7	7.1%	127.3	14.5%
Operating income	54.0	40.8	32.4%	52.2	(21.8)%
Utility Support Structures Segment					
Net sales	869.7	620.8	40.1%	472.7	31.3%
Gross profit	206.3	141.8	45.5%	112.2	26.4%
SG&A expense	77.3	71.2	8.6%	60.5	17.7%
Operating income	129.0	70.6	82.7%	51.7	36.6%
Coatings Segment					
Net sales	282.1	280.8	0.5%	208.4	34.7%
Gross profit	104.4	93.5	11.7%	67.8	37.9%
SG&A expense	32.8	34.9	(6.0)%	25.2	38.5%
Operating income	71.6	58.6	22.2%	42.6	37.6%
Irrigation Segment					
Net sales	750.6	665.9	12.7%	443.4	50.2%
Gross profit	216.1	178.6	21.0%	118.8	50.3%
SG&A expense	72.4	70.8	2.3%	56.8	24.6%
Operating income	143.7	107.8	33.3%	62.0	73.9%
Other					
Net sales	293.9	301.4	(2.5)%	181.8	65.8%
Gross profit	65.7	65.9	(0.3)%	43.4	51.8%
SG&A expense	19.1	20.2	(5.4)%	14.9	35.6%
Operating income	46.6	45.7	2.0%	28.5	60.4%
Net corporate expense					
Gross profit		0.5	(100.0)%	(2.1)	(123.8)%
SG&A expense	62.6	60.7	3.1%	56.5	7.4%
Operating loss	(62.6)	(60.2)	4.0%	(58.6)	2.7%

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RESULTS OF OPERATIONS

FISCAL 2012 COMPARED WITH FISCAL 2011

Overview

On a consolidated basis, the increase in net sales in fiscal 2012, as compared with 2011, was due to the following factors:

Unit sales volumes increased approximately $353 million in fiscal 2012, as compared with 2011. All reportable segments contributed to the higher sales volumes, with the most significant unit sales increases within the Utility Support Structures and Irrigation segments. Depending on the segment, unit volumes are measured in tons, units or some other physical measure of volume.

Sales prices and mix in fiscal 2012, as compared with 2011, were favorable, resulting in increased sales of approximately $50 million. As many of our products are either built to order or configured to customer specifications, sales mix can be due to a number of factors, in addition to pricing. These factors may include product specifications, options and other factors that may affect the unit price at which a product is sold. In some cases, pricing and mix may affect our cost of the product sold.

Fiscal 2012 included 52 weeks of operations, as compared with fiscal 2011, which was 53 weeks. This was the result of our fiscal year ending the last Saturday in December. Accordingly, all fiscal 2011 operational figures were higher than had the fiscal year been 52 weeks in length. The estimated effect of our fiscal 2011 net sales and net earnings due to the extra week of operations was approximately $50 million and $3 million, respectively.

Foreign currency translation factors, in the aggregate, resulted in lower net sales and operating income in fiscal 2012, as compared with 2011. On average, the U.S. dollar strengthened against most currencies in 2012. The most significant currencies that contributed to this movement were the euro, Brazilian real and the South African rand. On a segment basis, the approximate currency effects on net sales and operating income in fiscal 2012, as compared with 2011, were as follows (in millions of dollars):

	Net Sales	Operating Income
Engineered Infrastructure Products	$ (14.8)	$ (0.6)
Utility Support Structures	0.5	
Coatings		
Irrigation	(15.0)	(2.5)
Other	(5.7)	(0.6)
Corporate		
Total	$ (35.0)	$ (3.7)

The increase in gross profit margin (gross profit as a percent of sales) in fiscal 2012, as compared with 2011, was primarily due to improved sales pricing and mix and moderating raw material costs in 2012 as compared with 2011. Steel prices and zinc prices in 2012 were down slightly as compared with 2011. LIFO expense in fiscal 2012 was $10.7 lower than 2011, contributing to the comparatively higher gross profit margin in 2012, as compared with 2011.

Selling, general and administrative (SG&A) expense in fiscal 2012, as compared with 2011, increased mainly due to the following factors:

Increased compensation expenses of approximately $8.0 million, associated with increased employment levels and increased employee benefit costs;

- Increased employee incentive accruals of approximately $10.6 million, due to improved operating results; and

- Deferred compensation expense of $2.4 million incurred in fiscal 2012 associated with the increase in deferred compensation plan liabilities. The corresponding increase in deferred compensation plan assets was recorded as a decrease in "Other" expense.

These increases were offset to a degree by foreign exchange transaction effects of $4.7 million. SG&A spending as a percent of sales decreased from 15.2% in fiscal 2011 to 13.9% in fiscal 2012, as we achieved leverage of the fixed portion of SG&A expense in light of the sales increase.

The increase in operating income on a reportable segment basis in fiscal 2012, as compared with 2011, was due to improved operating performance in all reportable segments. The most significant increases were in the Irrigation and Utility segments.

The decrease in net interest expense in fiscal 2012, as compared with 2011, was the net effect of lower interest expense of $4.5 million and lower interest income of $1.0 million. The decrease in interest expense was attributable to interest savings realized from the refinancing of our $150 million of senior subordinated debt in June 2011 and approximately $2.8 million of expense incurred in the second quarter of 2011 related to the refinancing of our $150 million of senior subordinated notes. The decrease in interest income was due to interest received on certain income tax refunds in 2011. Average borrowing levels in 2012 were comparable with 2011.

The decrease in "Other" expenses in fiscal 2012, as compared with 2011, of $3.0 million was mainly due to investment returns in the assets held in our deferred compensation plan of $2.4 million. The increase in the value of these assets was offset by a corresponding increase in our deferred compensation liabilities, which was reflected as an increase in SG&A expense. Accordingly, there was no effect on net earnings from these investment gains.

Our effective income tax rate in fiscal 2012 of 35.2% was higher than the 2011 effective rate of 2.0%. Our effective tax rate in 2011 was abnormally low, mainly due to tax benefits associated with the legal entity restructuring of Delta Ltd. in the fourth quarter of 2011. Aside from these non-recurring benefits, our 2011 effective tax would have been approximately 33%. Our effective tax rate in 2012 was affected by the following factors that contributed to increased income tax expense:

- In 2012, the U.K. reduced its income tax rate from 26% to 24%. As a result, our income tax expense increased in 2012 by $4.8 million, mainly due to the revaluation of deferred income tax assets, and;

- Adjustments to the final accounting calculations related to the 2011 legal restructuring of Delta Ltd. resulted in a $2.4 million unfavorable adjustment.

Going forward, depending on our geographic mix of earnings and currently enacted income tax rates in the countries in which we operate, we expect our effective tax rate to approximate 34%.

Earnings attributable to noncontrolling interests was lower in 2012, as compared with 2011, mainly due to lower net earnings in those consolidated operations that are less than 100% owned, the most significant of what was the manganese dioxide operation. In addition, $2.4 million of the 2012 decrease was due to our purchase of the noncontrolling interest in our grinding media operation in June 2011. This operation was previously 40% owned by noncontrolling interests.

Our cash flows provided by operations were $197.1 million in 2012, as compared with $149.7 million in 2011. While net earnings in fiscal 2012 was comparable with 2011, $66.0 million of fiscal 2011 earnings was due to tax benefits resulting from the Delta Ltd. legal reorganization, which were non-cash in nature.

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Engineered Infrastructure Products (EIP) segment

The increase in EIP segment net sales in fiscal 2012, as compared with 2011, was due to improved sales volumes of approximately $33 million, $22 million of favorable pricing and sales mix changes, offset to a degree by unfavorable foreign exchange translation effects of approximately $15 million. The pricing increases largely followed raw material inflation realized in 2011.

In the lighting product line, North American sales in 2012 were up modestly from 2011. The increase in sales resulted from higher sales prices and favorable sales mix. The transportation market for lighting and traffic structures continues to be steady but not particularly strong. While a two-year extension to the current U.S. highway funding legislation was enacted in the third quarter of 2012, this event has not yet affected the market for lighting and traffic structures. We also believe that state budget issues are limiting roadway project activity. Sales in other market channels such as sales to lighting fixture manufacturers and commercial construction projects in 2012 were comparable with 2011. In Europe, lighting sales in fiscal 2012 were lower than 2011. We divested our Turkish and Italian operations in late 2011, resulting in lower sales in 2012, as compared with 2011, of $17.5 million. Current economic conditions in Europe are weak and uncertain. As a result, public spending for streets and highways is under pressure, as governments cope with lower tax receipts and budget deficits. However, lighting sales in local currency were higher in 2012, as compared with 2011. Stronger sales in France, Scandinavia and the U.K. were offset somewhat by weaker sales volumes in northern Europe. Lighting sales in the Asia Pacific region in fiscal 2012 were comparable with 2011.

Communication product line sales in fiscal 2012 were improved over 2011. North America sales in 2012 were $27 million higher than 2011. The increase in sales was attributable to improved market conditions (somewhat attributable to the build out of 4G wireless technology) and the resolution of the proposed AT&T/T-Mobile merger, which we believe slowed sales activity for structures and components in 2011. In China, sales of wireless communication structures in 2012 were comparable with 2011.

Sales in the access systems product line in 2012 were improved as compared with 2011, as industrial production investments in the mining and energy economic sectors are increasing in the Asia Pacific region.

Sales of highway safety products in 2012 were slightly higher than 2011. While public spending on roadways in Australia did not grow in 2012, establishment of sales channels in other countries in the Asia Pacific region contributed to sales volume increases for the product line.

Operating income for the segment in fiscal 2012 was higher than 2011. Improved operating income resulted from higher sales volumes, improved sales prices and moderating raw material costs (including $2.7 million of lower LIFO expense). These improvements were offset by factory productivity issues that negatively affected operating income by approximately $14.3 million. The productivity matters mainly were due to excessive start-up costs associated with capacity expansions in the U.S. and various factory productivity matters in the Europe and Asia Pacific regions. The increase in SG&A spending in 2012, as compared with 2011, mainly was attributable to higher compensation costs of $7.6 million and increased employee incentives of $5.0 million. These increases were offset to a degree by a $3.0 million write down in a trade name recorded in 2011 and currency translation effects of $2.6 million.

Utility Support Structures (Utility) segment

In the Utility segment, the sales increase in the 2012, as compared with 2011, was primarily due to improved unit sales volumes of approximately $239 million. In U.S. markets, investments in the electrical grid by utility companies is increasing, resulting in improved sales of transmission and substation structures. The effect of sales mix was favorable in 2012, as compared with 2011, by approximately $10 million. Sales mix was mainly related to certain large orders that were taken in 2010 and early 2011, when market pricing was particularly low. As market conditions improved, pricing

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recovered to a degree, resulting in improved pricing and mix as the year progressed. Sales in international markets in fiscal 2012 were improved over 2011. Sales in the Asia Pacific region are higher, offset to some extent by lower sales in Europe and the Middle East.

Operating income in fiscal 2012, as compared with 2011, increased due to the increase in North America sales volume, moderating raw material costs and leverage effects on fixed SG&A and factory expenses. These positive effects were offset to a degree by $12.9 million of additional rework and other unanticipated costs related to certain large orders. The increase in SG&A expense for the segment in fiscal 2012 as compared with 2011, was mainly due to increased employee compensation of $3.1 million and increased sales commissions of $1.0 million, associated with the increase in business levels.

Coatings segment

Coatings segment sales to outside customers in fiscal 2012 was comparable with 2011, as improved sales in the United States was offset to a degree by lower sales in the Asia Pacific region. In the United States, we experienced broad-based improved demand from customers, especially in the agriculture, petrochemical and energy economic sectors, which included higher sales for galvanizing services to our other segments. Asia Pacific volumes in 2012 were down from 2011, due to slowness in the Australian industrial economy not related to mining. Average selling prices in 2012 were comparable with 2011.

The increase in segment operating income in 2012, as compared with 2011, was mainly due to improved productivity and operating leverage through volume increases and lower zinc costs. The effect of lower zinc costs on segment operating income in 2012, as compared with 2011, was approximately $5.7 million. SG&A expenses for the segment in 2012, as compared with 2011, were slightly lower, mainly due to a $0.9 million favorable dispute settlement with a vendor in 2012 and a $0.8 million write down of a trade name recorded in 2011. In 2012, we completed the insurance settlement related to the 2011 storm and fire at one of our facilities in Australia. Settlements in 2012 totaled $1.2 million, as compared with $1.5 million in 2011, which were recorded in operating income.

Irrigation segment

The increase in Irrigation segment net sales in 2012, as compared with 2011, was mainly due to improved sales volumes of approximately $78 million and favorable pricing and sales mix of approximately $23 million. These increases were offset by unfavorable currency translation effects of approximately $15 million in 2012, as compared with 2011. The pricing and sales mix effect was generally due to sales price increases that took effect in the second half of 2011 to recover higher material costs in early 2011. In global markets, the sales growth was due to very strong agricultural economies around the world. Farm commodity prices continue to be favorable, with a positive outlook for net farm income in most markets around the world. We believe that farm commodity prices have been favorable due to strong demand, including consumption in the production of ethanol and other fuels, and traditionally low inventories of major farm commodities. We believe the drought conditions in much of the U.S. this summer contributed to the increased demand for irrigation equipment and related service parts in 2012. The very dry growing conditions throughout much of the U.S. highlight the benefits of irrigation in order to maintain crop yields under these circumstances. In international markets, the sales improvement in fiscal 2012, as compared with 2011, was also realized in most markets due to generally favorable economic conditions in the global farm economy.

Operating income for the segment improved in 2012, as compared with 2011, due to improved sales unit volumes and improved sales prices in light of stable material costs. The higher average selling prices resulted from rising material costs in 2011, when sales price increases lagged material cost inflation. The stability in raw material purchase costs also resulted in $4.6 million in lower LIFO expenses in 2012, as compared with 2011. SG&A expenses in 2012 were comparable with fiscal 2011.

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Other

This category includes the grinding media, industrial tubing, electrolytic manganese and industrial fasteners operations. In 2012, sales were lower than 2011, mainly due currency translation effects of $5.7 million and slightly lower sales in grinding media. Operating income in 2012 was comparable with 2011, as improvement in tubing was offset by lower operating earnings in our manganese dioxide operation.

Net corporate expense

Net corporate expense in fiscal 2012 was higher than 2011, mainly due to:

- higher employee incentives of $5.1 million associated with improved net earnings and share price, which affected long-term incentive plans, and;

- higher deferred compensation expenses (approximately $2.4 million) related to investment returns on assets in the deferred compensation plan. These increases are offset by decreases in "Other" expense.

These increases were offset by lower corporate spending in various areas, including lower expenses for the Delta Pension Plan of $1.2 million.

FISCAL 2011 COMPARED WITH FISCAL 2010

Acquisition of Delta plc

On May 12, 2010, we acquired Delta plc (Delta). The total amount of the acquisition was $436.7 million and was financed by a combination of cash, borrowings under our revolving credit agreement of $85.0 million and $300.0 million of senior unsecured notes.

We began consolidating Delta's financial results in our consolidated financial statements beginning on May 12, 2010. On a segment reporting basis, Delta's operations are included in our results as follows:

Engineered Infrastructure Products (EIP) Segment-manufacture of poles, roadway safety systems and access systems;

Utility Support Structures (Utility) Segment-manufacture of pole structures;

Coatings Segment-galvanizing operations in Australia, the U.S. and Asia; and

Other-manufacture of steel grinding media and electrolytic manganese dioxide

The increases in sales and operating income by segment attributable to a full year effect of Delta in fiscal 2011, as compared with fiscal 2010, were as follows (in millions):

	Fiscal year ended December 31, 2011	
	Net Sales	Operating Income
Engineered Infrastructure Products	$ 81.3	$ 6.5
Utility Support Structures	2.1	0.3
Coatings	56.8	6.8
Other	70.9	4.4
Net corporate expense		(5.8)
Total	$ 211.1	$ 12.2

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Overview

On a consolidated basis, the increase in net sales in fiscal 2011, as compared with 2010, was primarily the result of improved sales in all reportable segments, part of which was the result of Delta's financial results being included in our consolidated financial statements for all of 2011. In addition, fiscal 2011 included 53 weeks of operations, as compared with fiscal 2010, which was 52 weeks. This was the result of our fiscal year end being on the last Saturday in December. Accordingly, all fiscal 2011 operational figures were higher than had fiscal 2011 been 52 weeks in length. The estimated impact on our net sales and net earnings due to the extra week of fiscal 2011 was approximately $50 million and $3 million, respectively.

For the company as a whole, without consideration of Delta, our 2011 increase over 2010 was mainly due to increased unit sales volumes of approximately $400 million. On a reportable segment basis, the most significant unit sales volume increase were in the Irrigation and Utility segments. Sales prices overall were up modestly in fiscal 2011, as compared with 2010, mainly in response to rising steel prices. In the aggregate, the sales increase in 2011, as compared with 2010, due to price increases and sales mix changes was approximately $14 million.

Our fiscal 2011 sales and operating income in comparison to 2010 were enhanced by foreign currency translation. On average, the U.S. dollar was weaker than most global currencies in 2011 as compared with 2010. These effects by segment were as follows (in millions of dollars):

	Net Sales	Operating Income
Engineered Infrastructure Products	$ 30.0	$ 2.7
Utility Support Structures	3.5	0.2
Coatings	10.3	1.3
Irrigation	3.4	0.5
Other	13.8	1.7
Corporate		(1.2)
Total	$ 61.0	$ 5.2

The decrease in gross profit margin (gross profit as a percent of sales) in fiscal 2011, as compared with 2010, was due to higher average raw material costs in 2011 as compared with 2010. In particular, steel prices rose significantly in the first quarter of 2011 before moderating somewhat in the following two quarters. Average zinc costs also were higher in 2011 than in 2010. These higher costs were not recovered entirely through increased selling prices, mainly due to a competitive selling price environment, especially in the EIP and Utility segments. In the aggregate, we estimate that the impact of these factors in 2011, as compared with 2010, was approximately $29 million.

Selling, general and administrative (SG&A) spending in fiscal 2011, as compared with 2010, increased due to the following factors:

Expenses associated with the full year Delta operations ($32.5 million) in our consolidated accounts in 2011;

Increased employee incentive accruals of $20.9 million, due to improved operating results, and;

Increased compensation expenses of $12.1 million, associated with increased employment levels and salary increases.

These increases were somewhat offset by $13.2 million in lower acquisition and integration costs in the fiscal 2011, as compared with 2010, associated with the Delta acquisition.

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The increase in operating income on a reportable segment basis in 2011, as compared with 2010, was due to improved operating performance in the Irrigation, Utility and Coatings segments reported improved operating income in fiscal 2011, as compared with 2010. The EIP segment operating income in 2011 was lower than fiscal 2010. The "Other" category also reported improved operating profit in 2011, as the grinding media, tubing and manganese dioxide operations were improved over 2010. Currency translation effects also contributed to the increase in operating income in fiscal 2011, as compared with 2010, of approximately $5.2 million.

The increase in interest expense in fiscal 2011, as compared with 2010, was attributable to:

- $2.8 million of expense incurred when we redeemed our senior subordinated debt;

- $5.0 million of expense related to the full year effect of interest expense associated with the $300 million in senior unsecured notes issued in April 2010, less;

- $2.9 million of bank fees incurred in the first quarter of fiscal 2010 to provide the required bridge loan funding commitment for the Delta acquisition and the full year effect of interest income from Delta's cash balances (approximately $2 million).

The increase in "Other" expense in fiscal 2011, as compared with 2010, was mainly due to investment losses in the assets held in our deferred compensation plan of $1.5 million. The decrease in the value of these assets was offset by a corresponding decrease in our deferred compensation liabilities, which were reflected as a decrease in net corporate expense. Accordingly, there was no effect on net earnings from these investment losses. In addition, we incurred approximately $1.5 million of currency translation losses due the dissolution of our joint venture in Turkey.

Our effective income tax rate in fiscal 2011 was substantially lower than 2010. This reduction was mainly due to tax benefits associated with a legal restructuring of Delta in the fourth quarter of 2011. The restructuring was completed to gain certain operational efficiencies and resulted in an aggregate income tax benefit of $66.0 million related to an increase in the tax basis of assets in Australia and removing valuation allowances to certain U.K. deferred tax assets associated with tax loss carryforwards. The restructuring will allow us to generate U.K.-based income sufficient to utilize those tax loss carryforwards. See "Critical Accounting Policies Income Taxes" for a more detailed discussion of the legal restructuring and the associated tax. In 2010, we realized an unfavorable effect in 2010 related to non-deductibility of a portion of the Delta acquisition expenses (approximately $3.2 million). In 2011, the following items resulted in favorable effects to income taxes:

- income tax benefits associated with our 2011 acquisition of the remaining 40% of Donhad that we did not own ($4.1 million);

- income tax provisions in our South African manganese dioxide operation that were no longer needed due to a favorable tax authority ruling ($3.2 million);

- net effect of certain income tax contingencies in 2011 that were reduced due to expiration of statutes of limitation ($1.4 million).

Aside from these events that are non-recurring in nature, we believe our effective tax rate in fiscal 2011 and 2010 would have been approximately 32.0-33.0%.

Earnings attributable to noncontrolling interests was higher in 2011, as compared with 2010, mainly due to improved earnings in our manganese dioxide operation, which is 45% owned by noncontrolling interests. Earnings in non-consolidated subsidiaries improved in 2011, as compared with 2010, as our 49% owned manganese materials operation experienced improved profitability.

The improvement in net earnings and earnings per share in 2011, as compared with 2010, were mainly attributed to the improved operating income and the tax benefits associated with the legal entity restructuring in 2011 ($66.0 million and $2.49 per share, respectively). See "Critical Accounting

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Policies Income Taxes" for a more detailed discussion of the legal restructuring and the associated tax effects.

Our cash flows provided by operations were approximately $149.7 million in 2011, as compared with $152.2 million in 2010. While net earnings increased in 2011, as compared with 2010, operating cash flow was slightly lower than 2010 due mainly to the following factors:

- higher levels of working capital to support increased business activity in the Utility and Irrigation segments in 2011;
- the income tax benefits associated with the legal entity restructuring completed in the fourth quarter of 2011 ($66.0 million) were non-cash in nature, and;
- contributions to the Delta Pension Plan of $11.9 million in 2011.

Engineered Infrastructure Products (EIP) segment

The increase in net sales in fiscal 2011 as compared with 2010 was mainly due to the full year effect of the Delta operations and currency translation effects. Global lighting markets continue to experience relatively weak demand, resulting in increased price competition, despite higher raw material prices. In the Lighting product line, 2011 North American sales in 2011 were down slightly as compared with 2010. Market conditions in North America continue to be weak, especially in the transportation market, where funding is through federal, state and local governments. We believe sales demand in the transportation market was dampened by the lack of a long-term federal highway funding legislation and state budget deficits, as the lack of long-term funding legislation does not give the various states ample visibility to implement long-term initiatives. Furthermore, highway spending sponsored under the federal program requires the various states to provide part of required funding. Many states are in budget deficits, which may constrain their ability to access federal matching funds to implement roadway projects. Sales in other market channels helped to offset the lower transportation market sales in 2011, as compared with 2010. In Europe, sales unit volumes were approximately $22 million higher in fiscal 2011, as compared with 2010. However, sales pricing and product mix generally were unfavorable in light of higher material costs, due to weaker infrastructure spending in Europe related to budget deficit control measures and public debt issues.

Communication product line sales in fiscal 2011 were comparable to 2010. North America sales were slightly higher in 2011 than 2010. While market conditions were generally more favorable in 2011 as compared with 2010, we believe uncertainty surrounding the AT&T/T-Mobile merger has caused demand for communication structures and components to slow down in the last half of 2011. In China, sales of wireless communication structures were slightly higher in fiscal 2011, as compared with 2010. In 2010, annual supply contracts with Chinese wireless carriers were settled later than in the past and 2011 was more in line with what we believe is a more normal demand pattern.

Sales in the access systems product line in Australia in 2011 were comparable with 2010, not including the full year effect from the Delta acquisition, as industrial construction was overall stable and mining investment was in the early stages of project feasibility and scope. Asia sales in this product line were higher by approximately $7.5 million in 2011 as compared with 2010, as markets in the region generally were stronger, particularly in China, Indonesia and the Middle East.

Sales of highway safety products in 2011 were comparable with 2010 in local currency terms, not including the full year effect from the Delta acquisition. Floods in parts of Australia affected infrastructure spending in the first two quarters of 2011, as public spending priorities shifted from roadway development to supporting recovery from the floods.

Operating income for the segment in fiscal 2011 was lower as compared with 2010. While operating income was enhanced by the full year effect of the Delta operations and currency translation

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effects, the impact of higher raw material costs, slowness in demand and very competitive pricing conditions in most of our lighting markets hampered operating income for the segment by approximately $19 million in 2011, as compared with 2010. The operating income associated with the Delta operations, aside from the full year effect of the acquisition, was comparable with 2010. The strong Australian dollar led to pricing and margin pressures, as imported products from outside of Australia were more competitive from a pricing standpoint. In Europe, we were affected by competitive pricing pressures that negatively affected segment operating profit by approximately $3.2 million in 2011, as compared with 2010. The increase in SG&A expense in fiscal 2011 was mainly due to the acquisition of the Delta operations ($15.9 million), currency translation effects of $4.8 million and the fourth quarter write down of the PiRod trade name of $3.0 million.

Utility Support Structures (Utility) segment

In the Utility segment, the sales increase in fiscal 2011, as compared with 2010, was due to improved unit sales volumes in the U.S., offset to a degree by lower sales prices in the U.S. and lower sales volumes in international markets. In U.S. markets, electrical utility companies are increasing their investment in the electrical grid over a relatively slow 2010. The sales pricing environment is slowly improving but continues to be very competitive. Our sales in 2011 were somewhat reflective of market conditions in 2010 when certain utility structures projects were awarded at relatively low prices. In total, we experienced slightly lower average selling prices on our 2011 sales, as compared with 2010 (approximately $14 million). In international markets, the sales decrease was mainly due to lower project sales into emerging markets of approximately $25 million.

Operating income in fiscal 2011, as compared with 2010, increased due to the substantial increase in North America sales volume and associated operational leverage. Gross profit margins were negatively affected by the competitive pricing environment in North America and higher raw material costs. The increase in SG&A expense for the segment in fiscal 2011 was higher than in 2010, mainly due to increased employee incentives ($6.7 million) associated with the increase in operating income and $2.0 million in increased compensation expenses.

Coatings segment

Net sales in the Coatings segment increased in fiscal 2011, as compared with 2010, mainly due to the full year effect of the Delta operations and currency translation effects and improved sales volumes in North America and Asia Pacific. Unit pricing effects on sales for the segment were not significant in 2011, as compared with 2010.

The increase in segment operating income in fiscal 2011, as compared with 2010, was mainly due to the effects of currency translation and improved productivity and operating leverage through volume increases. Higher average zinc costs in 2011, as compared with 2010, were largely recovered through productivity improvements. The increase in operating income in fiscal 2011, as compared with 2010, also was due to the effect of the acquired Delta operations. SG&A expenses for the segment in fiscal 2011 were higher than the comparable periods in 2010, mainly due to the effect of the Delta businesses ($7.2 million), incentives due to improved operating income ($1.0 million) and the write down of the Industrial Galvanizers of America trade name ($0.8 million) in 2011.

In 2011, one of our galvanizing facilities in Australia incurred damages from a storm and a fire later in the year. A property damage and business interruption claim was filed with our insurance carrier and settlement of the claim is ongoing. We made the necessary capital expenditures to restore the facility and operations commenced late in the fourth quarter of 2011. The insurance claim proceeds agreed to with the insurance carrier in 2011 exceeded the net book value of the assets damaged. The financial effect of this event resulted in an improvement in segment operating results in the fourth quarter of 2011 of approximately $1.5 million.

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Irrigation segment

The increase in Irrigation segment net sales in fiscal 2011, as compared with 2010, was mainly due to improved sales volumes of approximately $195 million. The remainder of the sales increase was associated with pricing (to recover higher raw material costs) and favorable product mix (approximately $20 million) and currency translation effects (approximately $3 million). In global markets, the sales growth was due to a very strong agricultural economies around the world. Farm commodity prices were generally favorable throughout 2011 and net farm income was at record levels in the United States and favorable in most markets. We believe that farm commodity prices have been favorable due to strong demand, including consumption in the production of ethanol and other fuels, and traditionally low inventories of major farm commodities. In addition, weather conditions in North America in 2011 were generally drier than 2010, further enhancing demand for irrigation machines and related service parts. In international markets, the sales improvement in fiscal 2011, as compared with 2010, was realized in most markets, particularly in Asia Pacific and South America.

Operating income for the segment improved in 2011 over 2010, due to improved sales unit volumes in North America and the associated operational leverage. The most significant reasons for the increase in SG&A expense in 2011, as compared with 2010, was related to employee compensation costs to support the increase in sales activity and future initiatives ($5.4 million) and increased employee incentives due to improved operating performance in 2011 ($3.0 million).

Other

This unit includes the Delta grinding media and electrolytic manganese operations and our industrial tubing and fasteners operations. The increase in sales in fiscal 2011, as compared with 2010, was mainly due improved sales volumes in all of these operations and currency translation effects (approximately $13.9 million). Fiscal 2011 operating income improved due to the full year effect of the Delta operations, improved operating results in the manganese dioxide and tubing operations and currency translation (approximately $1.7 million).

Net corporate expense

Net corporate expense in fiscal 2011 was comparable to 2010. Corporate expenses decreased in fiscal 2011, as compared with 2010, due to Delta acquisition and integration costs that were incurred in 2010 ($13.2 million) but not 2011 and lower deferred compensation expense ($1.5 million). These decreases were offset somewhat by the full year effect of Delta's administration costs ($5.2 million) and higher employee incentive expense associated with improved profitability in 2011 as compared with 2010 ($9.7 million) and increased compensation expenses ($2.7 million).

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Working Capital and Operating Cash Flows Net working capital was $1,013.5 million at December 29, 2012, as compared with $844.9 million at December 31, 2011. The increase in net working capital in 2012 mainly resulted from increased receivables and inventories to support the increase in sales. Operating cash flow was $197.1 million in fiscal 2012, as compared with $149.7 million in fiscal 2011. The increase in operating cash flow in 2012 mainly was the result of the reduction in the non-cash tax benefits associated with the Delta Ltd. legal reorganization recorded as a reduction of income tax expense ($66.0 million) in fiscal 2011.

Investing Cash Flows Capital spending in fiscal 2012 was $97.1 million, as compared with $83.1 million in fiscal 2011. A significant portion of the capital spending ($39.0 million) for 2012 was to expand our capacity for Utility projects. We expect our capital spending for the 2013 fiscal year to be

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approximately $110 million. The major sources of capital spending in fiscal 2013 will be additional production capacity in the Irrigation and Utility Support Structures segments. Of the $110 million of planned capital spending, approximately 50% relates to projects that have been approved. Investing cash flows for fiscal 2012 included $45.7 million for the Pure Metal Galvanizing acquisition.

Financing Cash Flows Our total interest-bearing debt was flat at $486.2 million as of December 29, 2012 and December 31, 2011. Financing cash flows in 2011 included approximately $25.3 million to acquire the remaining 40% of the shares of Donhad Pty. Ltd.

Sources of Financing and Capital

We have historically funded our growth, capital spending and acquisitions through a combination of operating cash flows and debt financing. We have an internal long-term objective to maintain long-term debt as a percent of invested capital at or below 40%. At December 29, 2012, our long-term debt to invested capital ratio was 23.9%, as compared with 26.8% at December 31, 2011. Subject to our level of acquisition activity and steel industry operating conditions (which could affect the levels of inventory we need to fulfill customer commitments), we plan to maintain this ratio below 40% in 2013.

Our debt financing at December 29, 2012 consisted primarily of long-term debt. We also maintain certain short-term bank lines of credit totaling $75.6 million, $62.8 million of which was unused at December 29, 2012. Our long-term debt principally consists of:

- $450 million face value ($463 million carrying value) of senior unsecured notes that bear interest at 6.625% per annum and are due in April 2020. We are allowed to repurchase the notes at specified prepayment premiums. These notes are guaranteed by certain of our subsidiaries.

- $400 million revolving credit agreement with a group of banks. We may increase the credit facility by up to an additional $200 million at any time, subject to participating banks increasing the amount of their lending commitments. The interest rate on our borrowings will be, at our option, either:

  (a) LIBOR (based on a 1, 2, 3 or 6 month interest period, as selected by us) plus 125 to 225 basis points (inclusive of facility fees), depending on our ratio of debt to earnings before taxes, interest, depreciation and amortization (EBITDA), or;

  (b) the higher of

    - The higher of (a) the prime lending rate and (b) the Federal Funds rate plus 50 basis points plus in each case, 25 to 125 basis points (inclusive of facility fees), depending on our ratio of debt to EBITDA, or

    - LIBOR (based on a 1 week interest period) plus 125 to 225 basis points (inclusive of facility fees), depending on our ratio of debt to EBITDA

At December 29, 2012, we had no outstanding borrowings under the revolving credit agreement. The revolving credit agreement has a termination date of August 15, 2017 and contains certain financial covenants that may limit our additional borrowing capability under the agreement. At December 29, 2012, we had the ability to borrow $384.9 million under this facility, after consideration of standby letters of credit of $15.1 million associated with certain insurance obligations.

These debt agreements contain covenants that require us to maintain certain coverage ratios and may limit us with respect to certain business activities, including capital expenditures. Our key debt covenants are as follows:

- Interest-bearing debt is not to exceed 3.50x EBITDA of the prior four quarters; and

- EBITDA over the prior four quarters must be at least 2.50x our interest expense over the same period.

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At December 29, 2012, we were in compliance with all covenants related to these debt agreements. The key covenant calculations at December 29, 2012 were as follows:

Interest-bearing debt	$ 486,192
EBITDA-last four quarters	462,417
Leverage ratio	1.05
EBITDA-last four quarters	$ 462,417
Interest expense-last four quarters	31,625
Interest earned ratio	14.62

The calculation of EBITDA-last four quarters is presented under the column for fiscal 2012 in footnote (b) to the table "Selected Five-Year Data" in Item 6 Selected Financial Data.

Our businesses are cyclical, but we have diversity in our markets, from a product, customer and a geographical standpoint. We have demonstrated the ability to effectively manage through business cycles and maintain liquidity. We have consistently generated operating cash flows in excess of our capital expenditures. Based on our available credit facilities, recent issuance of senior unsecured notes and our history of positive operational cash flows, we believe that we have adequate liquidity to meet our needs for fiscal 2013 and beyond.

We have not made any provision for U.S. income taxes in our financial statements on approximately $586.2 million of undistributed earnings of our foreign subsidiaries, as we intend to reinvest those earnings. Of our cash balances at December 29, 2012, $365.9 million is held in entities outside the United States. If we need to repatriate foreign cash balances to the United States to meet our cash needs, income taxes would be paid to the extent that those cash repatriations were undistributed earnings of our foreign subsidiaries. The income taxes that we would pay if cash were repatriated depends on the amounts to be repatriated and from which country. If all of our cash outside the United States were to be repatriated to the United States, we estimate that we would pay approximately $44.2 million in income taxes to repatriate that cash.

FINANCIAL OBLIGATIONS AND FINANCIAL COMMITMENTS

We have future financial obligations related to (1) payment of principal and interest on interest-bearing debt, (2) Delta pension plan contributions, (3) operating leases and (4) purchase obligations. These obligations at December 29, 2012 were as follows (in millions of dollars):

Contractual Obligations	Total	2013	2014 - 2015	2016 - 2017	After 2017
Long-term debt	$ 460.1	$ 0.2	$ 0.5	$ 0.2	$ 459.2
Interest	254.2	29.9	59.8	59.8	104.7
Delta pension plan contributions	177.4	17.7	35.5	35.5	88.7
Operating leases	118.6	21.7	37.5	21.7	37.7
Unconditional purchase commitments	36.0	36.0			
Total contractual cash obligations	$ 1,046.3	105.5	133.3	117.2	690.3

Long-term debt mainly consisted of $450.0 million principal amount of senior unsecured notes. At December 29, 2012, we had no outstanding borrowings under our bank revolving credit agreement. Obligations under these agreements may be accelerated in event of non-compliance with debt covenants. The Delta pension plan contributions are related to estimated cash funding commitments to the plan with the plan's trustees, which are currently being negotiated in conjunction with a triennial valuation. Operating leases relate mainly to various production and office facilities and are in the normal course of business.

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Unconditional purchase obligations relate to purchase orders for zinc, aluminum and steel, all of which we plan to use in 2013, and certain capital investments planned for 2013. We believe the quantities under contract are reasonable in light of normal fluctuations in business levels and we expect to use the commodities under contract during the contract period.

At December 29, 2012, we had approximately $45.2 million of various long-term liabilities related to certain income tax, environmental and other matters. These items are not scheduled above because we are unable to make a reasonably reliable estimate as to the timing of any potential payments.

OFF BALANCE SHEET ARRANGEMENTS

We have operating lease obligations to unaffiliated parties on leases of certain production and office facilities and equipment. These leases are in the normal course of business and generally contain no substantial obligations for us at the end of the lease contracts. We also maintain standby letters of credit for contract performance on certain sales contracts.

MARKET RISK

Changes in Prices

Certain key materials we use are commodities traded in worldwide markets and are subject to fluctuations in price. The most significant materials are steel, aluminum, zinc and natural gas. Over the last several years, prices for these commodities have been volatile. The volatility in these prices was due to such factors as fluctuations in supply and demand conditions, government tariffs and the costs of steel-making inputs. We have also experienced volatility in natural gas prices in the past several years. Our main strategies in managing these risks are a combination of fixed price purchase contracts with our vendors to reduce the volatility in our purchase prices and sales price increases where possible. We use natural gas swap contracts on a limited basis to mitigate the impact of rising gas prices on our operating income.

Risk Management

Market Risk The principal market risks affecting us are exposure to interest rates, foreign currency exchange rates and natural gas. We normally do not use derivative financial instruments to hedge these exposures (except as described below), nor do we use derivatives for trading purposes.

Interest Rates Our interest-bearing debt at December 29, 2012 was mostly fixed rate debt. Our notes payable and a small portion of our long-term debt accrue interest at a variable rate. Assuming average interest rates and borrowings on variable rate debt, a hypothetical 10% change in interest rates would have affected our interest expense in 2012 and 2011 by approximately $0.1 million and $0.1 million, respectively. Likewise, we have excess cash balances on deposit in interest-bearing accounts in financial institutions. An increase or decrease in interest rates of ten basis points would have impacted our annual interest earnings in 2012 by approximately $0.4 million.

Foreign Exchange Exposures to transactions denominated in a currency other than the entity's functional currency are not material, and therefore the potential exchange losses in future earnings, fair value and cash flows from these transactions are not material. From time to time, as market conditions indicate, we will enter into foreign currency contracts to manage the risks associated with anticipated future transactions and current balance sheet positions that are in currencies other than the functional currencies of our operations. At December 29, 2012, there were no significant open foreign currency contracts. Much of our cash in non-U.S. entities is denominated in foreign currencies, where fluctuations in exchange rates will impact our cash balances in U.S. dollar terms. A hypothetical 10% change in the value of the U.S. dollar would impact our reported cash balance by approximately $32.4 million in 2012 and $34.0 million in 2011.

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We manage our investment risk in foreign operations by borrowing in the functional currencies of the foreign entities where appropriate. The following table indicates the change in the recorded value of our most significant investments at year-end assuming a hypothetical 10% change in the value of the U.S. Dollar.

	2012	2011
	(in millions)	
Australian dollar	$ 27.3	$ 26.7
Chinese renminbi	13.9	12.7
Canadian dollar	8.8	3.7
Euro	6.8	6.0
Brazilian real	3.3	2.5
U.K. pound	2.3	5.4

Commodity risk Natural gas is a significant commodity used in our factories, especially in our Coatings segment galvanizing operations, where natural gas is used to heat tanks that enable the hot-dipped galvanizing process. Natural gas prices are volatile and we mitigate some of this volatility through the use of derivative commodity instruments. Our current policy is to manage this commodity price risk for 0-50% of our U.S. natural gas requirements for the upcoming 6-12 months through the purchase of natural gas swaps based on NYMEX futures prices for delivery in the month being hedged. The objective of this policy is to mitigate the impact on our earnings of sudden, significant increases in the price of natural gas. At December 29, 2012, we have open natural gas swaps for 70,000 MMBtu.

CRITICAL ACCOUNTING POLICIES

The following accounting policies involve judgments and estimates used in preparation of the consolidated financial statements. There is a substantial amount of management judgment used in preparing financial statements. We must make estimates on a number of items, such as provisions for bad debts, warranties, contingencies, impairments of long-lived assets, and inventory obsolescence. We base our estimates on our experience and on other assumptions that we believe are reasonable under the circumstances. Further, we re-evaluate our estimates from time to time and as circumstances change. Actual results may differ under different assumptions or conditions. The selection and application of our critical accounting policies are discussed annually with our audit committee.

Allowance for Doubtful Accounts

In determining an allowance for accounts receivable that will not ultimately be collected in full, we consider:

- age of the accounts receivable
- customer credit history
- customer financial information
- reasons for non-payment (product, service or billing issues).

If our customer's financial condition was to deteriorate, resulting in an impaired ability to make payment, additional allowances may be required.

Warranties

All of our businesses must meet certain product quality and performance criteria. We rely on historical product claims data to estimate the cost of product warranties at the time revenue is recognized. In determining the accrual for the estimated cost of warranty claims, we consider our experience with:

- costs to correct the product problem in the field, including labor costs
- costs for replacement parts
- other direct costs associated with warranty claims
- the number of product units subject to warranty claims

In addition to known claims or warranty issues, we estimate future claims on recent sales. The key assumptions in our estimates are the rates we apply to those recent sales (which is based on historical claims experience) and our expected future warranty costs for products that are covered under warranty for an extended period of time. Our provision for various product warranties was approximately $15.3 million at December 29, 2012. If our estimate changed by 50%, the impact on operating income would be approximately $7.6 million. If our cost to repair a product or the number of products subject to warranty claims is greater than we estimated, then we would have to increase our accrued cost for warranty claims.

Inventories

We use the last-in first-out (LIFO) method to determine the value approximately 43% of our inventory. The remaining 57% of our inventory is valued on a first-in first-out (FIFO) basis. In periods of rising costs to produce inventory, the LIFO method will result in lower profits than FIFO, because higher more recent costs are recorded to cost of goods sold than under the FIFO method. Conversely, in periods of falling costs to produce inventory, the LIFO method will result in higher profits than the FIFO method.

In 2012, we experienced lower costs to produce inventory than in the prior year, due mainly to lower cost for steel and steel-related products. This resulted in lower cost of goods sold (and higher operating income) in 2012 of approximately $3.7 million, than had our entire inventory been valued on the FIFO method. In 2011 and 2010, we experienced higher costs compared to previous years and operating income was lower by approximately $7.0 million and $3.0 million, respectively, than had our entire inventory been valued on the FIFO method.

We write down slow-moving and obsolete inventory by the difference between the value of the inventory and our estimate of the reduced value based on potential future uses, the likelihood that overstocked inventory will be sold and the expected selling prices of the inventory. If our ability to realize value on slow-moving or obsolete inventory is less favorable than assumed, additional inventory write downs may be required.

Depreciation, Amortization and Impairment of Long-Lived Assets

Our long-lived assets consist primarily of property, plant and equipment, goodwill and intangible assets acquired in business acquisitions. We have assigned useful lives to our property, plant and equipment and certain intangible assets ranging from 3 to 40 years.

We identified eleven reporting units for purposes of evaluating goodwill and we annually evaluate our reporting units for goodwill impairment during the third fiscal quarter, which usually coincides with our strategic planning process. We assess the value of our reporting units using after-tax cash flows from operations (less capital expenses) discounted to present value and as a multiple of earnings before interest, taxes, depreciation and amortization (EBITDA). The key assumptions in the discounted cash flow analysis are the discount rate and the projected cash flows. We also use sensitivity analysis to determine the impact of changes in discount rates and cash flow forecasts on the valuation of the reporting units. As allowed for under current accounting standards, we rely on our previous valuations

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for the annual impairment testing provided that the following criteria for each reporting unit are met: (1) the assets and liabilities that make up the reporting unit have not changed significantly since the most recent fair value determination and (2) the most recent fair value determination resulted in an amount that exceeded the carrying amount of the reporting unit by a substantial margin.

The valuation of our reporting units exceeded their respective carrying values. Accordingly, no further valuation of our reporting units was necessary. If our assumptions on discount rates and future cash flows change as a result of events or circumstances, and we believe these assets may have declined in value, then we may record impairment charges, resulting in lower profits. Our reporting units are all cyclical and their sales and profitability may fluctuate from year to year. In the evaluation of our reporting units, we look at the long-term prospects for the reporting unit and recognize that current performance may not be the best indicator of future prospects or value, which requires management judgment.

Our indefinite-lived intangible assets consist of trade names. We assess the values of these assets apart from goodwill as part of the annual impairment testing. We use the relief-from-royalty method to evaluate our trade names, under which the value of a trade name is determined based on a royalty that could be charged to a third party for using the trade name in question. The royalty, which is based on a reasonable rate applied against estimated future sales, is tax-effected and discounted to present value. The most significant assumptions in this evaluation include estimated future sales, the royalty rate and the after-tax discount rate. For our evaluation purposes, the royalty rates used vary between 0.5% and 1.5% of sales and the after-tax discount rate of 17.5% to 18.5%, which we estimate to be the after-tax cost of capital for such assets. The Company's trade names were tested for impairment in the third quarter of 2012 and the Company determined that the value of its trade names were not impaired. In 2011, the Company determined the PiRod and Industrial Galvanizers of America trade names were impaired. The evaluations of these trade names were completed in the fourth quarter of 2011, which resulted in a write down of $3.8 million.

Income Taxes

We record valuation allowances to reduce our deferred tax assets to amounts that are more likely than not to be realized. We consider future taxable income expectations and tax-planning strategies in assessing the need for the valuation allowance. If we estimate a deferred tax asset is not likely to be fully realized in the future, a valuation allowance to decrease the amount of the deferred tax asset would decrease net earnings in the period the determination was made. Likewise, if we subsequently determine that we are able to realize all or part of a net deferred tax asset in the future, an adjustment reducing the valuation allowance would increase net earnings in the period such determination was made.

At December 29, 2012, we had approximately $161.3 million in deferred tax assets relating mainly to operating loss and tax credit carryforwards, with a valuation allowance of $121.0 million. As a result of a legal entity restructuring within the Delta group in fiscal 2011, we released of a portion of valuation allowances previously established. Prior to the legal entity restructuring, because these tax losses were generated in the U.K. and Delta had no operations or future income taxable in the U.K., Delta historically did not establish a value on its financial statements for deferred tax assets associated with net operating losses and book and tax basis differences in its pension plan liability. Also, at December 29, 2012, $113.2 million in valuation allowances remain in the Delta entities related to capital loss carryforwards, which are unlikely ever to be realized. If circumstances related to our deferred tax assets change in the future, we may be required to increase or decrease the valuation allowance on these assets, resulting in an increase or decrease in income tax expense and a reduction or increase in net income.

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During 2012 we recorded $0.9 million in income tax expense on $3.7 million of undistributed earnings of foreign subsidiaries which we determined are not permanently invested. Foreign subsidiaries not considered permanently invested had total cash of $16.0 million at December 29, 2012. We have not made any U.S. income tax provision in our financial statements for $586.2 million of undistributed earnings of our foreign subsidiaries, as we intend to reinvest those earnings. Foreign subsidiaries considered permanently invested had total cash of $353.9 million at December 29, 2012. If circumstances change and we determine that we are not permanently invested, we would need to record an income tax expense on our financial statements for the resulting income tax that would be paid upon repatriation. The amount of that income tax would depend on how much of those earnings were repatriated but could range from a low of $44.2 million to a high of $129.5 million.

We are subject to examination by taxing authorities in the various countries in which we operate. The tax years subject to examination vary by jurisdiction. We regularly consider the likelihood of additional income tax assessments in each of these taxing jurisdictions based on our experiences related to prior audits and our understanding of the facts and circumstances of the related tax issues. We include in current income tax expense any changes to accruals for potential tax deficiencies. If our judgments related to tax deficiencies differ from our actual experience, our income tax expense could increase or decrease in a given fiscal period.

Pension Benefits

Delta Ltd. maintains a defined benefit pension plan for qualifying employees in the United Kingdom. There are no active employees as members in the plan. Independent actuaries assist in properly measuring the liabilities and expenses associated with accounting for pension benefits to eligible employees. In order to use actuarial methods to value the liabilities and expenses, we must make several assumptions. The critical assumptions used to measure pension obligations and expenses are the discount rate and expected rate of return on pension assets.

We evaluate our critical assumptions at least annually. Key assumptions are based on the following factors:

- Discount rate is based on the yields available on AA-rated corporate bonds with durational periods similar to that of the pension liabilities.

- Expected return on plan assets is based on our asset allocation mix and our historical return, taking into consideration current and expected market conditions. Most of the assets in the pension plan are invested in corporate bonds, the expected return of which are estimated based on the yield available on AA rated corporate bonds. The long-term expected returns on equities are based on historic performance over the long-term.

- Inflation is based on the estimated change in the consumer price index ("CPI") or the retail price index ("RPI"), depending on the relevant plan provisions.

The following tables present the key assumptions used to measure pension expense for 2013 and the estimated impact on 2013 pension expense relative to a change in those assumptions:

Assumptions	**Pension**
Discount rate	4.60%
Expected return on plan assets	4.20%
Inflation CPI	2.70%
Inflation RPI	3.20%

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Assumptions In Millions of Dollars	Increase in Pension Expense
0.50% increase in discount rate	$ 0.4
0.50% decrease in expected return on plan assets	$ 2.6
0.50% increase in inflation	$ 1.6

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information required is included under the captioned paragraph, "Risk Management" on page 38 of this report.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The following consolidated financial statements of the Company and its subsidiaries are included herein as listed below:

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Valmont Industries, Inc.
Omaha, Nebraska

We have audited the accompanying consolidated balance sheets of Valmont Industries, Inc. and subsidiaries (the "Company") as of December 29, 2012 and December 31, 2011, and the related consolidated statements of earnings, comprehensive income, shareholders' equity, and cash flows for each of the three fiscal years in the period ended December 29, 2012. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Valmont Industries, Inc. and subsidiaries as of December 29, 2012 and December 31, 2011, and the results of their operations and their cash flows for each of the three fiscal years in the period ended December 29, 2012, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 29, 2012, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2013 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP
Omaha, Nebraska
February 26, 2013

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Valmont Industries, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

	2012	2011	2010
Product sales	$ 2,721,512	$ 2,353,470	$ 1,737,940
Services sales	308,029	308,010	237,565
Net sales	3,029,541	2,661,480	1,975,505
Product cost of sales	2,032,030	1,788,908	1,290,446
Services cost of sales	195,055	205,762	165,485
Total cost of sales	2,227,085	1,994,670	1,455,931
Gross profit	802,456	666,810	519,574
Selling, general and administrative expenses	420,160	403,500	341,161
Operating income	382,296	263,310	178,413
Other income (expenses):			
Interest expense	(31,625)	(36,175)	(30,947)
Interest income	8,272	9,265	4,840
Other	347	(2,643)	676
	(23,006)	(29,553)	(25,431)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	359,290	233,757	152,982
Income tax expense (benefit):			
Current	122,782	89,552	49,991
Deferred	3,720	(84,962)	5,017
	126,502	4,590	55,008
Earnings before equity in earnings of nonconsolidated subsidiaries	232,788	229,167	97,974
Equity in earnings of nonconsolidated subsidiaries	6,128	8,059	2,439
Net earnings	238,916	237,226	100,413
Less: Earnings attributable to noncontrolling interests	(4,844)	(8,918)	(6,034)
Net earnings attributable to Valmont Industries, Inc.	$ 234,072	$ 228,308	$ 94,379
Earnings per share:			
Basic	$ 8.84	$ 8.67	$ 3.62
Diluted	$ 8.75	$ 8.60	$ 3.57
Cash dividends declared per share	$ 0.855	$ 0.705	$ 0.645

See accompanying notes to consolidated financial statements.

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Valmont Industries, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three-year period ended December 29, 2012

(Dollars in thousands)

	2012	2011	2010
Net earnings	$ 238,916	$ 237,226	$ 100,413
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments:			
Unrealized gains (losses) arising during the period	15,741	(21,976)	20,748
Realized loss on sale of foreign entity investment included in other expense		1,446	
	15,741	(20,530)	20,748
Unrealized loss on cash flow hedge:			
Loss arising during the period		(3,568)	
Amortization cost included in interest expense	400	233	
	400	(3,335)	
Actuarial gain (loss) in defined benefit pension plan liability	(35,020)	22,365	28,952
Other comprehensive income (loss)	(18,879)	(1,500)	49,700
Comprehensive income	220,037	235,726	150,113
Comprehensive income attributable to noncontrolling interests	(6,079)	(7,011)	(9,042)
Comprehensive income attributable to Valmont Industries, Inc.	$ 213,958	$ 228,715	$ 141,071

See accompanying notes to consolidated financial statements.

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Valmont Industries, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 29, 2012 and December 31, 2011

(Dollars in thousands, except shares and per share amounts)

	2012	2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 414,129	$ 362,894
Receivables, less allowance for doubtful receivables of $7,898 in 2012 and $7,555 in 2011	515,902	426,683
Inventories	412,384	393,782
Prepaid expenses	25,144	25,765
Refundable and deferred income taxes	58,381	43,819
Total current assets	1,425,940	1,252,943
Property, plant and equipment, at cost	994,774	911,642
Less accumulated depreciation and amortization	482,162	456,765
Net property, plant and equipment	512,612	454,877
Goodwill	330,791	314,662
Other intangible assets	172,270	168,083
Other assets	126,938	115,511
Total assets	$ 2,568,551	$ 2,306,076
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current installments of long-term debt	$ 224	$ 235
Notes payable to banks	13,375	11,403
Accounts payable	212,424	216,729
Accrued employee compensation and benefits	101,905	83,613
Accrued expenses	78,503	73,515
Income taxes payable		17,808
Dividends payable	6,002	4,767
Total current liabilities	412,433	408,070
Deferred income taxes	88,300	85,497
Long-term debt, excluding current installments	472,593	474,415
Defined benefit pension liability	112,043	68,024
Deferred compensation	31,920	30,741
Other noncurrent liabilities	44,252	41,418
Commitments and contingencies (Note 5)		
Shareholders' equity:		
Preferred stock of $1 par value		
Authorized 500,000 shares; none issued		
Common stock of $1 par value		
Authorized 75,000,000 shares; issued 27,900,000 shares	27,900	27,900
Additional paid-in capital		

Retained earnings	1,300,529	1,079,698
Accumulated other comprehensive income	43,938	64,052
Cost of treasury stock, common shares of 1,225,836 in 2012 and 1,418,934 in 2011	(22,455)	(24,688)
Total Valmont Industries, Inc. shareholders' equity	1,349,912	1,146,962
Noncontrolling interest in consolidated subsidiaries	57,098	50,949
Total shareholders' equity	1,407,010	1,197,911
Total liabilities and shareholders' equity	$ 2,568,551	$ 2,306,076

See accompanying notes to consolidated financial statements.

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Valmont Industries, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three-year period ended December 29, 2012

(Dollars in thousands)

	2012	2011	2010
Cash flows from operating activities:			
Net earnings	$ 238,916	$ 237,226	$ 100,413
Adjustments to reconcile net earnings to net cash flows from operations:			
Depreciation and amortization	70,218	74,560	59,663
Stock-based compensation	5,829	5,931	7,154
Defined benefit pension plan expense	4,281	5,449	5,874
Contribution to defined benefit pension plan	(11,591)	(11,860)	
Loss on sale of property, plant and equipment	321	693	3,203
Equity in earnings in nonconsolidated subsidiaries	(6,128)	(8,059)	(2,439)
Deferred income taxes	3,720	(84,962)	5,017
Other			(393)
Changes in assets and liabilities (net of the effect from acquisitions):			
Receivables	(84,890)	(17,430)	(51,793)
Inventories	(13,613)	(118,866)	22,321
Prepaid expenses	1,243	(4,042)	4,365
Accounts payable	(6,249)	42,637	(872)
Accrued expenses	20,640	11,845	(7,542)
Other noncurrent liabilities	(4,350)	(5,881)	(598)
Income taxes payable (refundable)	(21,250)	22,430	7,847
Net cash flows from operating activities	197,097	149,671	152,220
Cash flows from investing activities:			
Purchase of property, plant and equipment	(97,074)	(83,069)	(36,092)
Acquisitions (net of cash acquired)	(45,687)	(1,539)	(249,057)
Proceeds from sale of assets	6,025	3,706	11,387
Other, net	44	(3,161)	11,049
Net cash flows from investing activities	(136,692)	(84,063)	(262,713)
Cash flows from financing activities:			
Net borrowings under short-term agreements	1,828	2,698	(3,075)
Proceeds from long-term borrowings	39,126	277,832	491,680
Principal payments on long-term obligations	(39,564)	(271,245)	(183,285)
Dividends paid	(21,520)	(18,227)	(16,588)
Dividends to noncontrolling interest	(1,944)	(4,958)	(13,071)
Purchase of noncontrolling interest		(25,253)	
Proceeds from sale of partial ownership interest	1,404		
Settlement of financial derivative		(3,568)	
Retirement of Delta plc preference shares			(4,467)
Debt issuance fees	(1,747)	(1,339)	(3,858)
Proceeds from exercises under stock plans	21,827	20,008	4,464
Excess tax benefits from stock option exercises	5,494	3,033	2,021
Purchase of treasury shares		(4,802)	(876)
Purchase of common treasury shares stock plan exercises	(21,259)	(20,090)	(3,260)
Net cash flows from financing activities	(16,355)	(45,911)	269,685
Effect of exchange rate changes on cash and cash equivalents	7,185	(3,707)	6,926

Net change in cash and cash equivalents	51,235	15,990	166,118
Cash and cash equivalents beginning of year	362,894	346,904	180,786
Cash and cash equivalents end of year	$ 414,129	$ 362,894	$ 346,904

See accompanying notes to consolidated financial statements.

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Valmont Industries, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Three-year period ended December 29, 2012

(Dollars in thousands, except shares and per share amounts)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Noncontrolling interest in consolidated subsidiaries	Total shareholders' equity
Balance at December 26, 2009	$ 27,900	$	$ 767,398	$ 16,953	$ (25,990)	$ 22,046	$ 808,307
Net earnings			94,379			6,034	100,413
Other comprehensive income				46,692		3,008	49,700
Cash dividends declared ($0.645 per share)			(16,992)				(16,992)
Acquisition of Delta plc						79,529	79,529
Dividends to noncontrolling interests						(13,071)	(13,071)
Purchase of noncontrolling interest		(3,754)				(3,311)	(7,065)
Purchase of 12,351 treasury shares					(876)		(876)
Stock plan exercises; 109,711 shares acquired					(3,260)		(3,260)
Stock options exercised; 43,104 shares issued		(4,574)	5,484		3,554		4,464
Tax benefit from stock option exercises		2,021					2,021
Stock option expense		4,944					4,944
Stock awards; 9,088 shares issued		1,363			650		2,013
Balance at December 25, 2010	27,900		850,269	63,645	(25,922)	94,235	1,010,127
Net earnings			228,308			8,918	237,226
Other comprehensive income (loss)				407		(1,907)	(1,500)
Cash dividends declared ($0.705 per share)			(18,642)				(18,642)
Dividends to noncontrolling interests						(4,958)	(4,958)
Purchase of noncontrolling interest		16,592				(41,845)	(25,253)
Other changes in noncontrolling interest						(3,494)	(3,494)
Purchase of 53,847 treasury shares					(4,802)		(4,802)
Stock plan exercises; 184,639 shares acquired					(20,090)		(20,090)
Stock options exercised; 306,218 shares issued		(25,556)	19,763		25,801		20,008
Tax benefit from stock option exercises		3,033					3,033
Stock option expense		5,623					5,623
Stock awards; 23,968 issued		308			325		633
Balance at December 31, 2011	27,900		1,079,698	64,052	(24,688)	50,949	1,197,911
Net earnings			234,072			4,844	238,916
Other comprehensive income (loss)				(20,114)		1,235	(18,879)

Cash dividends declared ($0.855 per share)			(22,756)				(22,756)
Dividends to noncontrolling interests						(1,944)	(1,944)
Sale of partial ownership interest		(610)				2,014	1,404
Stock plan exercises; 174,943 shares acquired					(21,259)		(21,259)
Stock options exercised; 341,090 shares issued		(10,713)	9,515		23,025		21,827
Tax benefit from stock option exercises		5,494					5,494
Stock option expense		4,934					4,934
Stock awards; 20,998 shares issued		895			467		1,362
Balance at December 29, 2012	$ 27,900	$	$ 1,300,529	$ 43,938	$ (22,455)	$ 57,098	$ 1,407,010

See accompanying notes to consolidated financial statements.

Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Valmont Industries, Inc. and its wholly and majority-owned subsidiaries (the Company). Investments in 20% to 50% owned affiliates are accounted for by the equity method and investments in less than 20% owned affiliates are accounted for by the cost method. All significant intercompany items have been eliminated.

Cash overdrafts

Cash book overdrafts totaling $23,321 and $21,214 were classified as accounts payable at December 29, 2012 and December 31, 2011, respectively. The Company's policy is to report the change in book overdrafts as an operating activity in the Consolidated Statements of Cash Flows.

Segments

The Company has four reportable segments based on its management structure. Each segment is global in nature with a manager responsible for segment operational performance and allocation of capital within the segment. Reportable segments are as follows:

ENGINEERED INFRASTRUCTURE PRODUCTS: This segment consists of the manufacture of engineered metal structures and components for the global lighting and traffic, wireless communication, roadway safety and access systems applications;

UTILITY SUPPORT STRUCTURES: This segment consists of the manufacture of engineered steel and concrete structures for the global utility industry;

COATINGS: This segment consists of galvanizing, anodizing and powder coating services on a global basis; and

IRRIGATION: This segment consists of the manufacture of agricultural irrigation equipment and related parts and services for the global agricultural industry.

In addition to these four reportable segments, there are other businesses and activities that individually are not more than 10% of consolidated sales. These operations include the manufacture of forged steel grinding media for the mining industry, tubular products for industrial customers, electrolytic manganese dioxide for disposable batteries and the distribution of industrial fasteners. These operations collectively are reported in the "Other" category.

Fiscal Year

The Company operates on a 52 or 53 week fiscal year with each year ending on the last Saturday in December. Accordingly, the Company's fiscal year ended December 29, 2012 consisted of 52 weeks. The Company's fiscal year ended December 31, 2011 consisted of 53 weeks and fiscal year ended December 25, 2010 consisted of 52 weeks. The estimated impact on the company's results of operations due to the extra week in fiscal 2011 was additional net sales of approximately $50,000 and additional net earnings of approximately $3,000.

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are reported on the balance sheet net of any allowance for doubtful accounts. Allowances are maintained in amounts considered to be appropriate in relation to the outstanding receivables based on age of the receivable, economic conditions and customer credit quality.

Inventories

Approximately 43% and 40% of inventory is valued at the lower of cost, determined on the last-in, first-out (LIFO) method, or market as of December 29, 2012 and December 31, 2011, respectively. All other inventory is valued at the lower of cost, determined on the first-in, first-out (FIFO) method or market. Finished goods and manufactured goods inventories include the costs of acquired raw materials and related factory labor and overhead charges required to convert raw materials to manufactured and finished goods. The excess of replacement cost of inventories over the LIFO value is approximately $45,822 and $49,536 at December 29, 2012 and December 31, 2011, respectively.

Long-Lived Assets

Property, plant and equipment are recorded at historical cost. The Company generally uses the straight-line method in computing depreciation and amortization for financial reporting purposes and accelerated methods for income tax purposes. The annual provisions for depreciation and amortization have been computed principally in accordance with the following ranges of asset lives: buildings and improvements 15 to 40 years, machinery and equipment 3 to 12 years, transportation equipment 3 to 24 years, office furniture and equipment 3 to 7 years and intangible assets 5 to 20 years. Depreciation expense in fiscal 2012, 2011 and 2010 was $55,559, $54,352 and $46,791, respectively.

An impairment loss is recognized if the carrying amount of an asset may not be recoverable and exceeds estimated future undiscounted cash flows of the asset. A recognized impairment loss reduces the carrying amount of the asset to its fair value.

The Company evaluates its reporting units for impairment of goodwill during the third fiscal quarter of each year. Reporting units are evaluated using after-tax operating cash flows (less capital expenditures) discounted to present value. Indefinite-lived intangible assets are assessed separately from goodwill as part of the annual impairment testing, using a relief-from-royalty method. If the underlying assumptions related to the valuation of a reporting unit's goodwill or an indefinite-lived intangible asset change materially before or after the annual impairment testing, the reporting unit or asset is evaluated for potential impairment. In these evaluations, management considers recent operating performance, expected future performance, industry conditions and other indicators of potential impairment. In fiscal 2011, upon evaluation of future uses of its trade names, the Company recorded impairment in the aggregate of $3,779 in selling, general and administrative expenses.

Income Taxes

The Company uses the asset and liability method to calculate deferred income taxes. Deferred tax assets and liabilities are recognized on temporary differences between financial statement and tax bases

Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of assets and liabilities using enacted tax rates. The effect of tax rate changes on deferred tax assets and liabilities is recognized in income during the period that includes the enactment date.

Warranties

The Company's provision for product warranty reflects management's best estimate of probable liability under its product warranties. Estimated future warranty costs are recorded at the time a sale is recognized. Future warranty liability is determined based on applying historical claim rate experience to units sold that are still within the warranty period. In addition, the Company records provisions for known warranty claims.

Pension Benefits

Certain expenses are incurred in connection with a defined benefit pension plan. In order to measure expense and the related benefit obligation, various assumptions are made including discount rates used to value the obligation, expected return on plan assets used to fund these expenses and estimated future inflation rates. These assumptions are based on historical experience as well as current facts and circumstances. An actuarial analysis is used to measure the expense and liability associated with pension benefits.

Derivative Instrument

In connection with the issuance of the $150,000 principal amount of senior notes in June 2011, the Company executed a contract to lock in the treasury rate. The contract, for a notional amount of $130,000, was executed to hedge the risk of potential fluctuations in the treasury rates which would change the amount of net proceeds received from the debt offering. As the benchmark rate component of the fixed rate debt issuance and the cash flow hedged risk is based on that same benchmark, this was deemed an effective hedge at inception. On June 8, 2011, this contract was settled with the Company paying approximately $3,568 to the counterparty. As such, the Company recorded the $3,568 in accumulated other comprehensive income in fiscal 2011 and will amortize this loss to interest expense as interest payments are made over the term of the debt.

Comprehensive Income

Comprehensive income includes net income, currency translation adjustments, certain derivative-related activity and changes in net actuarial gains/losses from a pension plan. Results of operations for foreign subsidiaries are translated using the average exchange rates during the period. Assets and

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

liabilities are translated at the exchange rates in effect on the balance sheet dates. The components of accumulated other comprehensive income (loss) consisted of the following:

	Foreign Currency Translation Adjustments	Unrealized Loss on Cash Flow Hedge	Defined Benefit Pension Plan	Accumulated Other Comprehensive Income
Balance at December 31, 2011	$ 16,070	$ (3,335)	$ 51,317	$ 64,052
Current-period comprehensive income	14,506	400	(35,020)	(20,114)
Balance at December 29, 2012	$ 30,576	$ (2,935)	$ 16,297	$ 43,938

Revenue Recognition

Revenue is recognized upon shipment of the product or delivery of the service to the customer, which coincides with passage of title and risk of loss to the customer. Customer acceptance provisions exist only in the design stage of our products. Acceptance of the design by the customer is required before the product is manufactured and delivered to the customer. We are not entitled to any compensation solely based on design of the product and we do not recognize any revenue associated with the design stage. No general rights of return exist for customers once the product has been delivered. Shipping and handling costs associated with sales are recorded as cost of goods sold. Sales discounts and rebates are estimated based on past experience and are recorded as a reduction of net sales in the period in which the sale is recognized. Service revenues predominantly consist of coatings services provided by our Coatings segment to its customers.

Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities, the reported amounts of revenue and expenses and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

Equity Method Investments

The Company has equity method investments in non-consolidated subsidiaries which are recorded within "Other assets" on the Consolidated Balance Sheet.

Treasury Stock

Repurchased shares are recorded as "Treasury Stock" and result in a reduction of "Shareholders' Equity." When treasury shares are reissued, the Company uses the last-in, first-out method, and the difference between the repurchase cost and reissuance price is charged or credited to "Additional Paid-In Capital."

Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Research and Development

Research and development costs are charged to operations in the year incurred. These costs are a component of "Selling, general and administrative expenses" on the Consolidated Statements of Earnings. Research and development expenses were approximately $7,100 in 2012, $6,200 in 2011, and $5,500 in 2010.

Subsequent Events

The following events occurred subsequent to December 29, 2012 and were not reflected in the fiscal 2012 financial statements:

On February 5, 2013, the Company purchased 100% of the outstanding shares of Locker Group Holdings Pty. Ltd. (Locker). Locker is a manufacturer of perforated and expanded metal for the non-residential market, industrial flooring and handrails for the access systems market, and screening media for applications in the industrial and mining sectors in Australia and Asia. Locker's annual sales are approximately $80 million and it will be included in the Engineered Infrastructure Products Segment. The purchase price for the business was $54.9 million in cash, plus a maximum of $7.9 million additional purchase price upon the achievement of certain gross profit targets over the next two years. The acquisition, which was funded by cash held by the Company, was completed to expand our product offering and sales coverage for access systems and related products in Asia Pacific.

On February 15, 2013, the Company sold its nonconsolidated investment in Manganese Materials Company Pty. Ltd. to the majority owner of the business for approximately $30.0 million. The Company does not expect the profit or loss on the sale to be material, although certain deferred tax benefits approximating $3 million associated with the sale are expected to be recognized in 2013.

Recently Issued Accounting Pronouncements

On February 5, 2013, the FASB issued Accounting Standards Update 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income,* which adds additional disclosure requirements for items reclassified out of accumulated other comprehensive income. This ASU will be effective for the first interim reporting period in 2013.

(2) ACQUISITIONS

On December 19, 2012, the Company acquired Pure Metal Galvanizing for $45,687 in cash, net of cash acquired, plus assumed liabilities. In addition, the purchase price includes contingent consideration with a fair value of $3,884 to be paid at the end of five years if certain earnings objectives are met over the period. Pure Metal Galvanizing operates three custom galvanizing operations in Ontario, Canada. In the purchase price allocation, goodwill of $12,676 and $14,066 of customer relationships, trade name and other intangible assets was recorded. A portion of the goodwill is deductible for tax purposes. This business is included in the Coatings segment and was acquired to expand the Company's geographic presence into the Canadian galvanizing market.

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(2) ACQUISITIONS (Continued)

In June 2011, the Company acquired the remaining 40% of Donhad Pty. Ltd. ("Donhad") that it did not own for $25,253. As this transaction was the acquisition of the remaining shares of a consolidated subsidiary with no change in control, it was recorded within shareholders' equity and a a financing cash flow in the Consolidated Statement of Cash Flows. Also in June 2011, the Company acquired 60% of an irrigation monitoring services company for $1,539. This acquisition did not have a significant effect on the Company's fiscal 2011 financial results.

On May 12, 2010, the Company acquired Delta, plc. ("Delta") for $237,926 in cash, net of cash acquired, plus assumed liabilities. Delta's manufacturing operations in Australia, Asia, South Africa and the United States include engineered steel products, galvanizing services and manganese materials. The Company's pro forma results of operations for the fiscal year ended December 25, 2010, assuming that the Delta acquisition occurred at the beginning of the year, was as follows:

Net sales	$ 2,167,923
Net earnings	99,614
Earnings per share diluted	$ 3.77

(3) CASH FLOW SUPPLEMENTARY INFORMATION

The Company considers all highly liquid temporary cash investments purchased with an original maturity of three months or less at the time of purchase to be cash equivalents. Cash payments for interest and income taxes (net of refunds) were as follows:

	2012	2011	2010
Interest	$ 31,276	$ 34,176	$ 26,268
Income taxes	137,121	66,898	38,106

(4) INVENTORIES

Inventories consisted of the following at December 29, 2012 and December 31, 2011:

	2012	2011
Raw materials and purchased parts	$ 199,808	$ 202,953
Work-in-process	36,114	28,053
Finished goods and manufactured goods	222,284	212,312
Subtotal	458,206	443,318
Less: LIFO reserve	45,822	49,536
	$ 412,384	$ 393,782

In 2010, the Company reduced its LIFO inventory quantities, thereby liquidating a portion of its LIFO inventories acquired in prior years. The result of this liquidation was an increase in operating income of $1,509 for the fiscal year ended December 25, 2010.

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(5) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, at cost, consist of the following:

	2012	2011
Land and improvements	$ 73,713	$ 64,001
Buildings and improvements	254,171	229,389
Machinery and equipment	519,212	475,292
Transportation equipment	37,205	33,927
Office furniture and equipment	72,728	75,229
Construction in progress	37,745	33,804
	$ 994,774	$ 911,642

The Company leases certain facilities, machinery, computer equipment and transportation equipment under operating leases with unexpired terms ranging from one to fifteen years. Rental expense for operating leases amounted to $24,645, $22,775, and $15,652 for fiscal 2012, 2011, and 2010, respectively.

Minimum lease payments under operating leases expiring subsequent to December 29, 2012 are:

Fiscal year ending	
2013	$ 21,627
2014	19,068
2015	16,023
2016	12,300
2017	8,905
Subsequent	37,263
Total minimum lease payments	$ 115,186

(6) GOODWILL AND INTANGIBLE ASSETS

The Company's annual impairment testing of goodwill was performed during the third quarter of 2012. As a result of that testing, the Company determined that its goodwill and intangible assets were not impaired, as the valuation of the reporting units exceeded their respective carrying values. The Company continues to monitor changes in the global economy that could impact future operating results of its reporting units. If such conditions arise, the Company will test a given reporting unit for impairment prior to the annual test.

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(6) GOODWILL AND INTANGIBLE ASSETS (Continued)

Amortized Intangible Assets

The components of amortized intangible assets at December 29, 2012 and December 31, 2011 were as follows:

	As of December 29, 2012		
	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life
Customer Relationships	$ 170,556	$ 62,957	13 years
Proprietary Software & Database	3,073	2,795	6 years
Patents & Proprietary Technology	9,953	5,517	8 years
Non-compete Agreements	1,807	1,542	6 years
	$ 185,389	$ 72,811	

	As of December 31, 2011		
	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life
Customer Relationships	$ 155,629	$ 50,107	13 years
Proprietary Software & Database	3,116	2,711	6 years
Patents & Proprietary Technology	9,489	3,863	8 years
Non-compete Agreements	1,812	1,307	6 years
	$ 170,046	$ 57,988	

Amortization expense for intangible assets was $14,332, $14,833, and $11,873 for the fiscal years ended December 29, 2012, December 31, 2011 and December 25, 2010, respectively. Estimated annual amortization expense related to finite-lived intangible assets is as follows:

	Estimated Amortization Expense
2013	$ 14,909
2014	14,480
2015	13,581
2016	13,008
2017	12,998

The useful lives assigned to finite-lived intangible assets include consideration of factors such as the Company's past and expected experience related to customer retention rates, the remaining legal or contractual life of the underlying arrangement that resulted in the recognition of the intangible asset and the Company's expected use of the intangible asset.

Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(6) GOODWILL AND INTANGIBLE ASSETS (Continued)

Non-amortized intangible assets

Intangible assets with indefinite lives are not amortized. The carrying values of trade names at December 29, 2012 and December 31, 2011 were as follows:

	December 29, 2012	December 31, 2011	Year Acquired
Webforge	$ 17,411	$ 16,659	2010
Newmark	11,111	11,111	2004
Ingal EPS/Ingal Civil Products	9,189	8,792	2010
Donhad	6,932	6,633	2010
Pure Metal Galvanizing	2,022		2012
PiRod	1,750	1,750	2001
Industrial Galvanizers	4,030	3,856	2010
Other	7,247	7,224	
	$ 59,692	$ 56,025	

The Company's trade names were tested for impairment separately from goodwill in the third quarter of 2012. The values of the trade names were determined using the relief-from-royalty method. The Company determined that the value of its trade names were not impaired. In 2011, the Company determined the PiRod and Industrial Galvanizers of America trade names were impaired. The evaluations of these trade names were completed in the fourth quarter of 2011, which resulted in a write down of $3,779.

In its determination of these intangible assets as indefinite-lived, the Company considered such factors as its expected future use of the intangible asset, legal, regulatory, technological and competitive factors that may impact the useful life or value of the intangible asset and the expected costs to maintain the value of the intangible asset. The Company expects that these intangible assets will maintain their value indefinitely. Accordingly, these assets are not amortized.

Goodwill

The carrying amount of goodwill by segment as of December 29, 2012 was as follows:

	Engineered Infrastructure Products Segment	Utility Support Structures Segment	Coatings Segment	Irrigation Segment	Other	Total
Balance December 31, 2011	$ 151,558	$ 77,141	$ 64,820	$ 2,576	$ 18,567	$ 314,662
Acquisition			12,676			12,676
Foreign currency translation	3,627		(443)	(59)	328	3,453
Balance December 29, 2012	$ 155,185	$ 77,141	$ 77,053	$ 2,517	$ 18,895	$ 330,791

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(6) GOODWILL AND INTANGIBLE ASSETS (Continued)

The Company examined the goodwill assigned to its reporting units in the third quarter of 2012 and determined that the goodwill on its consolidated balance sheet at December 29, 2012 was not impaired. The acquisition amount arose from the acquisition of Pure Metal Galvanizing.

The carrying amount of goodwill by segment as of December 31, 2011 was as follows:

	Engineered Infrastructure Products Segment	Utility Support Structures Segment	Coatings Segment	Irrigation Segment	Other	Total
Balance December 25, 2010	$ 152,062	$ 77,141	$ 64,868	$ 2,064	$ 18,712	$ 314,847
Impairment				(276)		(276)
Acquisition				788		788
Foreign currency translation	(504)		(48)		(145)	(697)
Balance December 31, 2011	$ 151,558	$ 77,141	$ 64,820	$ 2,576	$ 18,567	$ 314,662

The impairment charge relates to an Irrigation segment retail operation. In the fourth quarter of 2011, the Company decided to dispose of this operation and, accordingly, all of the goodwill assigned to that operation was written off. The goodwill from acquisitions arose from the acquisition of a Brazilian irrigation monitoring company.

(7) BANK CREDIT ARRANGEMENTS

The Company maintains various lines of credit for short-term borrowings totaling $75,577. As of December 29, 2012, $12,802 was outstanding. The interest rates charged on these lines of credit vary in relation to the banks' costs of funds. The unused and available borrowings under the lines of credit were $62,775 at December 29, 2012. The lines of credit can be modified at any time at the option of the banks. The Company pays no fees in connection with these lines of credit. In addition to the lines of credit, the Company also maintains other short-term bank loans. The weighted average interest rate on short-term borrowings was 7.18% at December 29, 2012, and 3.42% at December 31, 2011. Other notes payable of $573 and $6,357 were outstanding at December 29, 2012 and December 31, 2011, respectively.

(8) INCOME TAXES

Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries are as follows:

	2012	2011	2010
United States	$ 248,840	$ 134,363	$ 78,327
Foreign	110,450	99,394	74,655
	$ 359,290	$ 233,757	$ 152,982

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(Dollars in thousands, except per share amounts)

(8) INCOME TAXES (Continued)

Income tax expense (benefit) consists of:

	2012	2011	2010
Current:			
Federal	$ 81,000	$ 53,005	$ 21,900
State	10,342	8,915	3,527
Foreign	32,294	29,287	23,919
	123,636	91,207	49,346
Non-current:	(854)	(1,655)	645
Deferred:			
Federal	(3,824)	(4,586)	5,258
State	(660)	(1,180)	686
Foreign	8,204	(79,196)	(927)
	3,720	(84,962)	5,017
	$ 126,502	$ 4,590	$ 55,008

The reconciliations of the statutory federal income tax rate and the effective tax rate follows:

	2012	2011	2010
Statutory federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	1.7	1.5	1.8
Carryforwards, credits and changes in valuation allowances	1.8	(27.7)	(0.2)
Foreign tax rate differences	(2.5)	(2.7)	(3.4)
Changes in unrecognized tax benefits	(0.2)	(0.7)	0.4
Non-deductible acquisition costs Delta			2.3
Domestic production activities deduction	(2.3)	(2.3)	(1.3)
Other	1.7	(1.1)	1.4
	35.2%	2.0%	36.0%

Deferred income taxes reflect the net tax effects of (a) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(Dollars in thousands, except per share amounts)

(8) INCOME TAXES (Continued)

purposes, and (b) operating loss and tax credit carryforwards. The tax effects of significant items comprising the Company's net deferred income tax liabilities are as follow:

	2012	2011
Deferred income tax assets:		
Accrued expenses and allowances	$ 18,020	$ 16,898
Accrued insurance	1,283	1,572
Tax credit and net operating loss carryforwards	161,348	166,020
Defined benefit pension liability	25,770	17,006
Inventory allowances	4,151	6,262
Accrued warranty	5,463	4,900
Deferred compensation	42,031	34,720
Gross deferred income tax assets	258,066	247,378
Valuation allowance	(120,979)	(123,522)
Net deferred income tax assets	137,087	123,856
Deferred income tax liabilities:		
Property, plant and equipment	35,756	36,551
Intangible assets	60,134	60,684
Other liabilities	11,198	9,380
Total deferred income tax liabilities	107,088	106,615
Net deferred income tax asset/(liability)	$ 29,999	$ 17,241

At December 29, 2012 and December 31, 2011, net deferred tax assets of $118,299 and $102,738, respectively, were included in refundable and deferred income taxes ($57,209 at December 29, 2012 and $43,819 at December 31, 2011) and other assets ($61,089 at December 29, 2012 and $58,920 at December 31, 2011). At December 29, 2012 and December 31, 2011, net deferred tax liabilities of $88,300 and $85,497, respectively, are included in deferred income taxes.

In 2011, the company formulated and executed a restructuring plan that resulted in the company being more likely than not to be able to use some of its deferred tax assets. As a result, the company removed valuation allowances with a corresponding decrease in tax expense of $34,402 relating mainly to operating losses and $31,300 relating to defined benefit pension obligation.

Management of the Company has reviewed recent operating results and projected future operating results. The Company's belief that realization of its net deferred tax assets is more likely than not is based on, among other factors, changes in operations that have occurred in recent years and available tax planning strategies. At December 29, 2012 and December 31, 2011 respectively, there were $161,348 and $166,020 relating mainly to operating loss and tax credit carryforwards and $25,770 and $17,006 related to its defined benefit pension obligation.

Valuation allowances have been established for certain operating losses that reduce deferred tax assets to an amount that will, more likely than not, be realized. The deferred tax assets at December 29, 2012 that are associated with tax loss and tax credit carryforwards not reduced by valuation allowances expire in periods starting 2013 through 2027.

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(8) INCOME TAXES (Continued)

Uncertain tax positions included in other non-current liabilities are evaluated in a two-step process, whereby (1) the Company determine whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position and (2) for those tax positions that meet the more likely than not recognition threshold, the Company would recognize the largest amount of tax benefit that is greater than fifty percent likely to be realized upon ultimate settlement with the related tax authority.

The following summarizes the activity related to our unrecognized tax benefits in 2012, 2011 and 2010, in thousands:

	2012	2011
Gross unrecognized tax benefits beginning of year	$ 4,304	$ 5,708
Gross increases tax positions in prior period	37	3
Gross decreases tax positions in prior period	(3)	(34)
Gross increases current-period tax positions	328	851
Gross increases acquisitions		
Lapse of statute of limitations	(1,296)	(2,224)
Gross unrecognized tax benefits end of year	$ 3,370	$ 4,304

There are approximately $1,463 of uncertain tax positions for which reversal is reasonably possible during the next 12 months due to the closing of the statute of limitation. The nature of these uncertain tax positions is generally the computation of a tax deduction or tax credit. In the third quarter of 2011, the Company recorded a reduction of its gross unrecognized tax benefit of $2,224 with $1,446 recorded as a reduction of income tax expense, due to the expiration of statutes of limitation in the United States and Australia. In the third and fourth quarters of 2012, the company recorded a reduction of its gross unrecognized tax benefit of $541 and $756 respectively, with $351 and $491 recorded as a reduction of its income tax expense, due to the expiration of statutes of limitation in the United States and Australia. In addition to these amounts, there was an aggregate of $405 and $413 of interest and penalties at December 29, 2012 and December 31, 2011, respectively. The Company's policy is to record interest and penalties directly related to income taxes as income tax expense in the Consolidated Statements of Earnings.

The Company files income tax returns in the U.S. and various states as well as foreign jurisdictions. Tax years 2009 and forward remain open under U.S. statutes of limitation. Generally, tax years 2008 and forward remain open under state statutes of limitation. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was $3,164 and $4,098 at December 29, 2012 and December 31, 2011, respectively.

On January 2, 2013, the American Taxpayer Relief Act of 2012 was enacted, which retroactively extended the research and experimentation (R&E) tax credit in the U.S. for two years, from January 1, 2012 through December 31, 2013. Because a change in tax law is accounted for in the period of enactment, the retroactive effect of the Act on the Company's U.S. federal taxes for 2012 of a benefit of approximately $775 will be recognized in the first quarter of 2013.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(8) INCOME TAXES (Continued)

During 2012 the Company recorded $928 in income tax expense on $3,730 of undistributed earnings of foreign subsidiaries which are not considered permanently invested. Provision has not been made for United States income taxes on a portion of the undistributed earnings of the Company's foreign subsidiaries (approximately $586,198 at December 29, 2012 and $518,887 at December 31, 2011, respectively) because the Company intends to reinvest those earnings. Such earnings would become taxable upon the sale or liquidation of these foreign subsidiaries or upon remittance of dividends. Furthermore, the currency translation adjustments in "Accumulated other comprehensive income (loss)" are not adjusted for income taxes as they relate to indefinite investments in foreign subsidiaries.

(9) LONG-TERM DEBT

	December 29, 2012	December 31, 2011
6.625% senior unsecured notes(a)	$ 450,000	$ 450,000
Unamortized premium on senior unsecured notes(a)	12,708	14,100
Revolving credit agreement(b)		
IDR Bonds(c)	8,500	8,500
Other notes	1,609	2,050
Total long-term debt	472,817	474,650
Less current installments of long-term debt	224	235
Long-term debt, excluding current installments	$ 472,593	$ 474,415

(a) The senior unsecured notes include an aggregate principal amount of $450,000 on which interest is paid and an unamortized premium balance of $12,708 at December 29, 2012. The notes bear interest at 6.625% per annum and are due in April 2020. The premium will be amortized against interest expense as interest payments are made over the term of the notes. These notes may be repurchased at specified prepayment premiums. These notes and the senior subordinated notes are guaranteed by certain subsidiaries of the Company.

(b) On August 15, 2012, the Company entered into a new five-year multicurrency $400,000 revolving credit agreement with a group of banks. The Company may increase the credit agreement by up to an additional $200,000 at any time, subject to the participating banks increasing the amount of their lending commitments. The interest rate on outstanding borrowings is, at the Company's option, either:

(i) LIBOR (based on a 1, 2, 3 or 6 month interest period, as selected by the Company) plus 125 to 225 basis points (inclusive of facility fees), depending on the Company's ratio of debt to EBITDA, or;

(ii) the higher of

Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(9) LONG-TERM DEBT (Continued)

The higher of (a) the prime lending rate and (b) the Federal Funds rate plus 50 basis points plus, in each case, 25 to 125 basis points (inclusive of facility fees), depending on the Company's ratio of debt to EBITDA, or

LIBOR (based on a 1 month interest period) plus 125 to 225 basis points (inclusive of facility fees), depending on the Company's ratio of debt to EBITDA

At December 29, 2012, the Company had no outstanding borrowings under the revolving credit agreement. The revolving credit agreement has a termination date of August 15, 2017 and contains certain financial covenants that may limit additional borrowing capability under the agreement. At December 29, 2012, the Company had the ability to borrow $384,866 under this facility. Standby letters of credit totaling $15,134 related to various insurance obligations were outstanding at December 29, 2012 and reduce the amount available to borrow under this agreement.

(c) The Industrial Development Revenue Bonds were issued to finance the construction of a manufacturing facility in Jasper, Tennessee. Variable interest is payable until final maturity June 1, 2025. The effective interest rates at December 29, 2012 and December 31, 2011 were 0.30% and 0.24%, respectively.

The lending agreements include certain maintenance covenants, including financial leverage and interest coverage. The Company was in compliance with all debt covenants at December 29, 2012.

The minimum aggregate maturities of long-term debt for each of the five years following 2012 are: $224, $234, $242, $229 and $0.

(10) STOCK-BASED COMPENSATION

The Company maintains stock-based compensation plans approved by the shareholders, which provide that the Compensation Committee of the Board of Directors may grant incentive stock options, nonqualified stock options, stock appreciation rights, non-vested stock awards and bonuses of common stock. At December 29, 2012, 472,567 shares of common stock remained available for issuance under the plans. Shares and options issued and available are subject to changes in capitalization. The Company's policy is to issue shares upon exercise of stock options from treasury shares held by the Company.

Under the stock option plans, the exercise price of each option equals the market price at the time of the grant. Options vest beginning on the first anniversary of the grant in equal amounts over three to six years or on the fifth anniversary of the grant. Expiration of grants is from six to ten years from the date of grant. The Company recorded $4,934, $5,623 and $4,994 of compensation expense (included in selling, general and administrative expenses) in the 2012, 2011 and 2010 fiscal years, respectively. The associated tax benefits recorded in the 2012, 2011 and 2010 fiscal years was $1,875, $2,137 and $1,879, respectively.

At December 29, 2012, the amount of unrecognized stock option compensation expense, to be recognized over a weighted average period of 2.28 years, was approximately $10,208.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(10) STOCK-BASED COMPENSATION (Continued)

The Company uses a binomial option pricing model to value its stock options. The fair value of each option grant made in 2012, 2011 and 2010 was estimated using the following assumptions:

	2012	2011	2010
Expected volatility	33.76%	32.50%	31.80%
Risk-free interest rate	0.74%	0.88%	1.62%
Expected life from vesting date	3.0 yrs	3.0 yrs	3.0 yrs
Dividend yield	0.77%	0.82%	0.81%

Following is a summary of the activity of the stock plans during 2010, 2011 and 2012:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 26, 2009	1,126,311	$ 59.06		
Granted	229,703	85.12		
Exercised	(109,711)	(32.09)		
Forfeited	(23,409)	(71.11)		
Outstanding at December 25, 2010	1,222,894	$ 66.22	4.86	$ 25,703
Options vested or expected to vest at December 25, 2010	1,187,408	$ 65.84	4.81	25,401
Options exercisable at December 25, 2010	708,014	$ 58.05	3.91	20,614

The weighted average per share fair value of options granted during 2010 was $23.69.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 25, 2010	1,222,894	$ 66.22		
Granted	214,206	85.40		
Exercised	(306,218)	(61.57)		
Forfeited	(52,169)	(76.12)		
Outstanding at December 31, 2011	1,078,713	$ 70.88	4.68	$ 22,382
Options vested or expected to vest at December 31, 2011	1,048,182	$ 70.52	4.63	22,113
Options exercisable at December 31, 2011	618,844	$ 61.57	3.56	18,441

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(10) STOCK-BASED COMPENSATION (Continued)

The weighted average per share fair value of options granted during 2011 was $23.32.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2011	1,078,713	$ 70.88		
Granted	140,007	136.01		
Exercised	(341,090)	61.53		
Forfeited	(8,638)	84.18		
Outstanding at December 29, 2012	868,992	$ 84.91	4.68	$ 43,410
Options vested or expected to vest at December 29, 2012	845,470	$ 84.26	4.64	42,765
Options exercisable at December 29, 2012	485,786	$ 71.06	3.67	30,846

The weighted average per share fair value of options granted during 2012 was $38.17.

Following is a summary of the status of stock options outstanding at December 29, 2012:

Outstanding and Exercisable By Price Range					
	Options Outstanding			Options Exercisable	
Exercise Price Range	Number	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
$19.75 - 40.21	62,090	1.74 years	$ 23.84	59,890	$ 23.23
53.01 - 80.83	233,290	3.18 years	69.00	213,924	70.06
82.81 - 136.42	573,612	5.61 years	97.97	211,972	85.58
	868,992			485,786	

In accordance with shareholder-approved plans, the Company grants stock under various stock-based compensation arrangements, including non-vested stock and stock issued in lieu of cash bonuses. Under such arrangements, stock is issued without direct cost to the employee. In addition, the Company grants restricted stock units. The restricted stock units are settled in Company stock when the restriction period ends. During fiscal 2012, 2011 and 2010, the Company granted non-vested stock and restricted stock units to directors and certain management employees as follows (which are included in the above stock plan activity tables):

	2012	2011	2010
Shares issued	27,293	47,417	29,076
Weighted-average per share price on grant date	$ 132.21	$ 88.26	$ 80.91
Compensation expense	$ 2,835	$ 2,004	$ 2,541

At December 29, 2012 the amount of deferred stock-based compensation granted, to be recognized over a weighted-average period of 1.91 years, was approximately $5,899.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(11) EARNINGS PER SHARE

The following table provides a reconciliation between Basic and Diluted earnings per share (EPS):

	Basic EPS	Dilutive Effect of Stock Options	Diluted EPS
2012:			
Net earnings attributable to Valmont Industries, Inc.	$ 234,072	$	$ 234,072
Weighted average shares outstanding (000's)	26,471	293	26,764
Per share amount	$ 8.84	$ 0.09	$ 8.75
2011:			
Net earnings attributable to Valmont Industries, Inc.	$ 228,308	$	$ 228,308
Weighted average shares outstanding (000's)	26,329	221	26,550
Per share amount	$ 8.67	$ 0.07	$ 8.60
2010:			
Net earnings attributable to Valmont Industries, Inc.	$ 94,379	$	$ 94,379
Weighted average shares outstanding (000's)	26,100	322	26,422
Per share amount	$ 3.62	$ 0.05	$ 3.57

At the end of fiscal years 2012, 2011 and 2010, there were approximately 137,000, 20,000, and 8,000 options outstanding, respectively, with exercise prices exceeding the market value of common stock that were therefore excluded from the computation of diluted shares outstanding.

(12) EMPLOYEE RETIREMENT SAVINGS PLAN

Established under Internal Revenue Code Section 401(k), the Valmont Employee Retirement Savings Plan ("VERSP") is a defined contribution plan available to all eligible employees. Participants can elect to contribute up to 50% of annual pay, on a pretax and/or after-tax basis. The Company also makes contributions to the Plan and a non-qualified deferred compensation plan for certain Company executives. The 2012, 2011 and 2010 Company contributions to these plans amounted to approximately $10,000, $8,700, and $8,300 respectively.

The Company sponsors a fully-funded, non-qualified deferred compensation plan for certain Company executives who otherwise would be limited in receiving company contributions into VERSP under Internal Revenue Service regulations. The invested assets and related liabilities to these participants were approximately $20,087 and $19,152 at December 29, 2012 and December 31, 2011, respectively. Such amounts are included in "Other assets" and "Other noncurrent liabilities" on the Consolidated Balance Sheets. Amounts distributed from the Company's non-qualified deferred compensation plan to participants under the transition rules of section 409A of the Internal Revenue Code were approximately $250 and $322 at December 29, 2012 and December 31, 2011, respectively. All distributions were made in cash.

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(13) DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of cash and cash equivalents, receivables, accounts payable, notes payable to banks and accrued expenses approximate fair value because of the short maturity of these instruments. The fair values of each of the Company's long-term debt instruments are based on the amount of future cash flows associated with each instrument discounted using the Company's current borrowing rate for similar debt instruments of comparable maturity (Level 2). The fair value estimates are made at a specific point in time and the underlying assumptions are subject to change based on market conditions. At December 29, 2012 the carrying amount of the Company's long-term debt was $472,817 with an estimated fair value of approximately $541,559. At December 31, 2011 the carrying amount of the Company's long-term debt was $474,650 with an estimated fair value of approximately $513,449.

For financial reporting purposes, a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date is used. Inputs refers broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Trading Securities: The assets and liabilities recorded for the investments held in the Valmont Deferred Compensation Plan represent mutual funds, invested in debt and equity securities, classified as trading securities, considering the employee's ability to change investment allocation of their deferred compensation at any time. Quoted market prices are available for these securities in an active market and therefore categorized as a Level 1 input.

		Fair Value Measurement Using:		
	Carrying Value December 29, 2012	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Trading Securities	$ 20,087	$ 20,087	$	$

		Fair Value Measurement Using:		
	Carrying Value December 31, 2011	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Trading Securities	$ 19,152	$ 19,152	$	$

Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(14) DERIVATIVE FINANCIAL INSTRUMENTS

The Company manages risk from foreign currency rate risk related to foreign currency denominated transactions and from natural gas supply pricing. From time to time, the Company manages these risks using derivative financial instruments. These derivative financial instruments are marked to market and recorded in the Company's consolidated statements of earnings. Derivative financial instruments have credit risk and market risk. To manage credit risk, the Company only enters into derivative transactions with counterparties who are recognized, stable multinational banks.

Natural Gas Prices: Natural gas supplies to meet production requirements of production facilities are purchased at market prices. Natural gas market prices are volatile and the Company effectively fixes prices for a portion of its natural gas usage requirements of certain of its U.S. facilities through the use of swaps. These contracts reference physical natural gas prices or appropriate NYMEX futures contract prices. While there is a strong correlation between the NYMEX futures contract prices and the Company's delivered cost of natural gas, the use of financial derivatives may not exactly offset the change in the price of physical gas. The contracts are traded in months forward and settlement dates are scheduled to coincide with gas purchases during that future period.

Annual consolidated purchase requirements for North America are approximately 1,000,000 MMBtu. At December 29, 2012 there were open swaps totaling 70,000 MMBtu with a total unrealized gain of $3, which was recorded in the Company's consolidated statement of earnings for the fiscal year ended December 29, 2012. At December 31, 2011 there were no open swaps outstanding.

Foreign Currency Fluctuations: The Company operates in a number of different foreign countries and may enter into business transactions that are in currencies that are different from a given operation's functional currency. In certain cases, the Company may enter into foreign currency exchange contracts to manage a portion of the foreign exchange risk associated with either a receivable or payable denominated in a foreign currency, a forecasted transaction or a series of forecasted transactions denominated in a foreign currency.

There were no significant open foreign currency contracts at December 29, 2012, December 31, 2011 or December 25, 2010.

(15) GUARANTEES

The Company's product warranty accrual reflects management's best estimate of probable liability under its product warranties. Historical product claims data is used to estimate the cost of product warranties at the time revenue is recognized.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(15) GUARANTEES (Continued)

Changes in the product warranty accrual, which is recorded in "Accrued expenses", for the years ended December 29, 2012 and December 31, 2011, were as follows:

	2012	2011
Balance, beginning of period	$ 13,586	$ 12,016
Payments made	(14,997)	(9,662)
Change in liability for warranties issued during the period	16,542	12,776
Change in liability for pre-existing warranties	202	(1,544)
Balance, end of period	$ 15,333	$ 13,586

(16) DEFINED BENEFIT RETIREMENT PLAN

Delta provides defined benefit retirement income to eligible employees in the United Kingdom and is the plan sponsor. Pension retirement benefits to qualified employees are 1.67% of final salary per year of service upon reaching the age of 65 years. This Plan has no active employees as members at December 29, 2012.

Funded Status

The Company recognizes the overfunded or underfunded status of the pension plan as an asset or liability. The funded status represents the difference between the projected benefit obligation (PBO) and the fair value of the plan assets. The PBO is the present value of benefits earned to date by plan participants, including the effect of assumed future salary increases (if applicable) and inflation. Plan assets are measured at fair value. Because the pension plan is denominated in British pounds sterling, the Company used exchange rates of $1.5425/£ and $1.6121/£ to translate the net pension liability into U.S. dollars at December 31, 2011 and December 29, 2012, respectively.

Projected Benefit Obligation and Fair Value of Plan Assets The accumulated benefit obligation (ABO) is the present value of benefits earned to date, assuming no future compensation growth. As there are no active employees in the plan, the ABO is equal to the PBO. The underfunded ABO represents the difference between the PBO and the fair value of plan assets. Changes in the PBO and

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(16) DEFINED BENEFIT RETIREMENT PLAN (Continued)

fair value of plan assets for the pension plan for the period from December 25, 2010 to December 31, 2011 were as follows:

	Projected Benefit Obligation	Plan Assets	Funded status
Fair value at December 25, 2010	$ 463,807	$ 359,636	$ (104,171)
Employer contributions		11,860	
Interest cost	25,643		
Actual return on plan assets		67,474	
Benefits paid	(11,539)	(11,539)	
Actuarial loss	16,187		
Currency translation	(1,579)	(2,936)	
Fair Value at December 31, 2011	$ 492,519	$ 424,495	$ (68,024)

Changes in the PBO and fair value of plan assets for the pension plan for the period from December 31, 2011 to December 29, 2012 were as follows:

	Projected Benefit Obligation	Plan Assets	Funded status
Fair Value at December 31, 2011	$ 492,519	$ 424,495	$ (68,024)
Employer contributions		11,591	
Interest cost	23,445		
Actual return on plan assets		41,345	
Benefits paid	(11,722)	(11,722)	
Actuarial loss	69,859		
Currency translation	23,666	20,015	
Fair Value at December 29, 2012	$ 597,767	$ 485,724	$ (112,043)

Pre-tax amounts recognized in accumulated other comprehensive income (loss) as of December 29, 2012 and December 31, 2011 consisted of actuarial gains (losses):

Balance December 25, 2010	$ 28,952
Actuarial gain	31,093
Currency translation loss	(31)
Balance December 31, 2011	60,014
Actuarial loss	(48,524)
Currency translation gain	1,127
Balance December 29, 2012	$ 12,617

The estimated amount to be amortized from accumulated other comprehensive income into net periodic benefit cost in 2013 is $0.

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(16) DEFINED BENEFIT RETIREMENT PLAN (Continued)

Assumptions The weighted-average actuarial assumptions used to determine the benefit obligation at December 29, 2012 and December 31, 2011 were as follows:

Percentages	2012	2011
Discount rate	4.60%	4.80%
Salary increase	N/A	N/A
Inflation	2.70%	2.30%

Expense

Pension expense is determined based upon the annual service cost of benefits (the actuarial cost of benefits earned during a period) and the interest cost on those liabilities, less the expected return on plan assets. The expected long-term rate of return on plan assets is applied to the fair value of plan assets. Differences in actual experience in relation to assumptions are not recognized in net earnings immediately, but are deferred and, if necessary, amortized as pension expense.

The components of the net periodic pension expense for the fiscal years ended December 31, 2011 and December 29, 2012 were as follows:

	2012	2011
Net Periodic Benefit Cost:		
Interest cost	23,445	25,643
Expected return on plan assets	(19,168)	(20,194)
Net periodic benefit expense	$ 4,277	$ 5,449

Assumptions The weighted-average actuarial assumptions used to determine expense are as follows for fiscal 2012 and 2011:

Percentages	2012	2011
Discount rate	4.80%	5.50%
Expected return on plan assets	4.40%	5.40%
Salary increase	N/A	N/A
Inflation	3.20%	3.50%

The discount rate is based on the yields of AA-rated corporate bonds with durational periods similar to that of the pension liabilities. The expected return on plan assets is based on our asset allocation mix and our historical return, taking into account current and expected market conditions. Inflation is based on expected changes in the consumer price index or the retail price index in the U.K. depending on the relevant plan provisions.

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(16) DEFINED BENEFIT RETIREMENT PLAN (Continued)

Cash Contributions

The Company has not yet completed negotiations with Plan trustees on the future annual funding for the Plan, which should be completed by June 30, 2013. At this point, the estimated annual contributions into the Plan are $16,121 (£10,000) per annum as part of the Plan's recovery plan, along with a contribution to cover the administrative costs of the Plan of approximately $1,612 (£1,000) per annum.

Benefit Payments

The following table details expected pension benefit payments for the years 2013 through 2022:

2013	$ 12,413
2014	12,736
2015	13,058
2016	13,380
2017	13,703
Years 2018 - 2022	73,512

Asset Allocation Strategy

The investment strategy for pension plan assets is to maintain a diversified portfolio mainly in long-term fixed-income securities that are investment grade or government-backed in nature. The plan, as required by U.K. law, has an independent trustee that sets investment policy and consults with representatives of the plan sponsor and independent advisors regularly on such matters.

The pension plan investments are held in a trust. Most of the pension plan assets are invested in fixed income securities. The debt portfolio is also broadly diversified and invested primarily in U.K. Treasury and corporate securities. The weighted-average maturity of the debt portfolio was 12 years at December 29, 2012.

Fair Value Measurements

The pension plan assets are valued at fair value. The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Index-linked gilts Index-linked gilts are U.K. government-backed securities consisting of bills, notes, bonds, and other fixed income securities issued directly by the U.K. Treasury or by government-sponsored enterprises.

Corporate Bonds Corporate bonds and debentures consist of fixed income securities issued by U.K. corporations.

Corporate Stock This investment category consists of common and preferred stock issued by U.K. and non-U.K. corporations.

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(16) DEFINED BENEFIT RETIREMENT PLAN (Continued)

These assets are pooled investment funds whereby the underlying investments can be valued using quoted market prices. As the fair values of the pooled investment funds themselves are not publicly quoted, they are classified as Level 2 investments.

At December 29, 2012 and December 31, 2011, the pension plan assets measured at fair value on a recurring basis were as follows:

December 29, 2012	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Plan net assets:				
Temporary cash investments	$	$ 12,091	$	$ 12,091
Index-linked gilts		107,366		107,366
Corporate bonds		347,083		347,083
Corporate stock		19,184		19,184
Other investments				
Total plan net assets at fair value	$	$ 485,724	$	$ 485,724

December 31, 2011	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Plan net assets:				
Temporary cash investments	$	$ 1,556	$	$ 1,556
Index-linked gilts		97,422		97,422
Corporate bonds		309,206		309,206
Corporate stock		16,276		16,276
Other investments		35		35
Total plan net assets at fair value	$	$ 424,495	$	$ 424,495

(17) BUSINESS SEGMENTS

The Company has four reportable segments based on its management structure. Each segment is global in nature with a manager responsible for segment operational performance and the allocation of capital within the segment. Net corporate expense is net of certain service related expenses that are allocated to business units generally on the basis of number of employees or sales dollars.

Reportable segments are as follows:

ENGINEERED INFRASTRUCTURE PRODUCTS: This segment consists of the manufacture of engineered metal structures and components for the global lighting and traffic, wireless communication, roadway safety and access systems applications;

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(17) BUSINESS SEGMENTS (Continued)

UTILITY SUPPORT STRUCTURES: This segment consists of the manufacture of engineered steel and concrete structures for the global utility industry;

COATINGS: This segment consists of galvanizing, anodizing and powder coating services on a global basis; and

IRRIGATION: This segment consists of the manufacture of agricultural irrigation equipment and related parts and services for the global agricultural industry.

In addition to these four reportable segments, the Company has other businesses and activities that individually are not more than 10% of consolidated sales. These include the manufacture of forged steel grinding media for the mining industry, tubular products for industrial customers, the electrolytic manganese dioxide for disposable batteries and the distribution of industrial fasteners and are reported in the "Other" category.

The accounting policies of the reportable segments are the same as those described in Note 1. The Company evaluates the performance of its business segments based upon operating income and invested capital. The Company does not allocate interest expense, non-operating income and deductions, or income taxes to its business segments.

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(17) BUSINESS SEGMENTS (Continued)

Summary by Business Segments

	2012	2011	2010
SALES:			
Engineered Infrastructure Products segment:			
Lighting, Traffic, and Roadway Products	$ 587,655	$ 573,121	$ 490,359
Communication Products	134,711	109,131	105,852
Access Systems	159,740	135,341	81,103
Engineered Infrastructure Products segment	882,106	817,593	677,314
Utility Support Structures segment:			
Steel	752,621	546,926	407,703
Concrete	120,899	77,944	67,217
Utility Support Structures segment	873,520	624,870	474,920
Coatings segment	334,552	327,322	238,273
Irrigation segment	750,641	666,007	443,371
Other	328,737	331,986	198,550
Total	3,169,556	2,767,778	2,032,428
INTERSEGMENT SALES:			
Engineered Infrastructure Products	48,793	24,996	8,044
Utility Support Structures	3,857	4,105	2,219
Coatings	52,478	46,534	29,906
Irrigation	49	111	12
Other	34,838	30,552	16,742
Total	140,015	106,298	56,923
NET SALES:			
Engineered Infrastructure Products segment	833,313	792,597	669,270
Utility Support Structures segment	869,663	620,765	472,701
Coatings segment	282,074	280,788	208,367
Irrigation segment	750,592	665,896	443,359
Other	293,899	301,434	181,808
Total	$ 3,029,541	$ 2,661,480	$ 1,975,505

Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(17) BUSINESS SEGMENTS (Continued)

	2012	2011	2010
OPERATING INCOME (LOSS):			
Engineered Infrastructure Products	$ 54,013	$ 40,753	$ 52,151
Utility Support Structures	129,025	70,643	51,741
Coatings	71,641	58,656	42,602
Irrigation	143,605	107,759	61,973
Other	46,575	45,670	28,499
Corporate	(62,563)	(60,171)	(58,553)
Total	382,296	263,310	178,413
Interest expense, net	(23,353)	(26,910)	(26,107)
Other	347	(2,643)	676
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	$ 359,290	$ 233,757	$ 152,982
TOTAL ASSETS:			
Engineered Infrastructure Products	$ 784,659	$ 750,992	$ 762,600
Utility Support Structures	510,943	432,657	360,256
Coatings	334,841	283,588	325,675
Irrigation	287,354	267,615	209,850
Other	202,289	203,185	222,984
Corporate	448,465	368,039	209,378
Total	$ 2,568,551	$ 2,306,076	$ 2,090,743
CAPITAL EXPENDITURES:			
Engineered Infrastructure Products	$ 20,244	$ 13,328	$ 17,050
Utility Support Structures	41,081	31,501	5,228
Coatings	13,280	22,881	5,570
Irrigation	12,618	8,766	4,248
Other	4,428	4,501	1,582
Corporate	5,423	2,092	2,414
Total	$ 97,074	$ 83,069	$ 36,092
DEPRECIATION AND AMORTIZATION:			
Engineered Infrastructure Products	$ 27,164	$ 30,637	$ 25,281
Utility Support Structures	13,284	12,548	11,320
Coatings	12,015	12,175	8,376
Irrigation	6,209	6,006	4,823
Other	8,168	8,539	6,260
Corporate	3,378	4,655	3,603
Total	$ 70,218	$ 74,560	$ 59,663

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(17) BUSINESS SEGMENTS (Continued)

Summary by Geographical Area by Location of Valmont Facilities:

	2012	2011	2010
NET SALES:			
United States	$ 1,870,703	$ 1,473,819	$ 1,088,724
Australia	499,025	491,395	273,551
China	135,398	148,219	121,437
France	74,217	79,329	99,508
Other	450,198	468,718	392,285
Total	$ 3,029,541	$ 2,661,480	$ 1,975,505
LONG-LIVED ASSETS:			
United States	$ 470,154	$ 439,147	$ 450,587
Australia	321,456	329,453	283,714
France	10,736	11,342	11,917
China	34,359	32,565	30,877
Canada	77,945	36,979	39,252
Other	227,961	203,647	180,170
Total	$ 1,142,611	$ 1,053,133	$ 996,517

No single customer accounted for more than 10% of net sales in 2012, 2011, or 2010. Net sales by geographical area are based on the location of the facility producing the sales and do not include sales to other operating units of the company. While Australia accounted for approximately 16% of the Company's net sales in 2012, no other foreign country accounted for more than 5% of the Company's net sales.

Operating income by business segment and geographical areas are based on net sales less identifiable operating expenses and allocations and includes profits recorded on sales to other operating units of the company.

Long-lived assets consist of property, plant and equipment, net of depreciation, goodwill, other intangible assets and other assets. Long-lived assets by geographical area are based on location of facilities.

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION

On April 8, 2010, the Company issued $300,000 of senior unsecured notes at a coupon interest rate of 6.625% per annum. In June 2011, the Company issued an additional $150,000 principal amount of these notes to redeem the senior subordinated notes. The notes are guaranteed, jointly, severally, fully and unconditionally by certain of the Company's current and future direct and indirect domestic and foreign subsidiaries (collectively the "Guarantors"), excluding its other current domestic and foreign subsidiaries which do not guarantee the debt (collectively referred to as the "Non-Guarantors"). All Guarantors are 100% owned by the parent company. Subsequent to the issuance of the 2011

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

financial statements, the comprehensive income information presented below was added to reflect our retrospective adoption of ASU Nos. 2011-05 and 2011-12, *Comprehensive Income* in 2011 and 2010.

Consolidated financial information for the Company ("Parent"), the Guarantor subsidiaries and the Non-Guarantor subsidiaries is as follows:

CONSOLIDATED STATEMENTS OF EARNINGS
For the Year ended December 29, 2012

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	$ 1,375,238	$ 620,338	$ 1,331,827	$ (297,862)	$ 3,029,541
Cost of sales	1,008,087	489,560	1,026,037	(296,599)	2,227,085
Gross profit	367,151	130,778	305,790	(1,263)	802,456
Selling, general and administrative expenses	178,669	55,488	186,003		420,160
Operating income	188,482	75,290	119,787	(1,263)	382,296
Other income (expense):					
Interest expense	(31,121)	(49,762)	(504)	49,762	(31,625)
Interest income	45	1,131	56,858	(49,762)	8,272
Other	1,938	55	(1,646)		347
	(29,138)	(48,576)	54,708		(23,006)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	159,344	26,714	174,495	(1,263)	359,290
Income tax expense (benefit):					
Current	59,648	16,398	47,375	(639)	122,782
Deferred	(4,721)	(496)	8,937		3,720
	54,927	15,902	56,312	(639)	126,502
Earnings before equity in earnings of nonconsolidated subsidiaries	104,417	10,812	118,183	(624)	232,788
Equity in earnings of nonconsolidated subsidiaries	129,655	86,170	5,150	(214,847)	6,128
Net earnings	234,072	96,982	123,333	(215,471)	238,916
Less: Earnings attributable to noncontrolling interests			(4,844)		(4,844)
Net earnings attributable to Valmont Industries, Inc	$ 234,072	$ 96,982	$ 118,489	$ (215,471)	$ 234,072

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONSOLIDATED STATEMENTS OF EARNINGS
For the Year ended December 31, 2011

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	$ 1,164,400	$ 401,443	$ 1,305,424	$ (209,787)	$ 2,661,480
Cost of sales	863,269	323,812	1,016,305	(208,716)	1,994,670
Gross profit	301,131	77,631	289,119	(1,071)	666,810
Selling, general and administrative expenses	166,964	50,783	185,753		403,500
Operating income	134,167	26,848	103,366	(1,071)	263,310
Other income (expense):					
Interest expense	(35,456)		(719)		(36,175)
Interest income	59	331	8,875		9,265
Other	(311)	59	(2,391)		(2,643)
	(35,708)	390	5,765		(29,553)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	98,459	27,238	109,131	(1,071)	233,757
Income tax expense (benefit):					
Current	48,243	10,571	30,738		89,552
Deferred	(4,787)	(964)	(79,211)		(84,962)
	43,456	9,607	(48,473)		4,590
Earnings before equity in earnings of nonconsolidated subsidiaries	55,003	17,631	157,604	(1,071)	229,167
Equity in earnings of nonconsolidated subsidiaries	173,305	125,269	6,818	(297,333)	8,059
Net earnings	228,308	142,900	164,422	(298,404)	237,226
Less: Earnings attributable to noncontrolling interests			(8,918)		(8,918)
Net earnings attributable to Valmont Industries, Inc	$ 228,308	$ 142,900	$ 155,504	$ (298,404)	$ 228,308

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONSOLIDATED STATEMENTS OF EARNINGS
For the Year ended December 25, 2010

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	$ 847,396	$ 304,309	$ 956,023	$ (132,223)	$ 1,975,505
Cost of sales	622,018	231,696	735,195	(132,978)	1,455,931
Gross profit	225,378	72,613	220,828	755	519,574
Selling, general and administrative expenses	147,054	47,688	146,419		341,161
Operating income	78,324	24,925	74,409	755	178,413
Other income (expense):					
Interest expense	(30,282)	(1)	(664)		(30,947)
Interest income	127	31	4,682		4,840
Other	995	(48)	(271)		676
	(29,160)	(18)	3,747		(25,431)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	49,164	24,907	78,156	755	152,982
Income tax expense (benefit):					
Current	19,525	5,039	25,427		49,991
Deferred	722	4,984	(689)		5,017
	20,247	10,023	24,738		55,008
Earnings before equity in earnings of nonconsolidated subsidiaries	28,917	14,884	53,418	755	97,974
Equity in earnings of nonconsolidated subsidiaries	65,462	25,264	1,525	(89,812)	2,439
Net earnings	94,379	40,148	54,943	(89,057)	100,413
Less: Earnings attributable to noncontrolling interests			(6,034)		(6,034)
Net earnings attributable to Valmont Industries, Inc	$ 94,379	$ 40,148	$ 48,909	$ (89,057)	$ 94,379

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Year ended December 29, 2012

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net earnings	$ 234,072	$ 96,982	$ 123,333	$ (215,471)	$ 238,916
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized gains (losses) arising during the period		(14,422)	30,163		15,741
		(14,422)	30,163		15,741
Unrealized loss on cash flow hedge:					
Amortization cost included in interest expense	400				400
	400				400
Actuarial gain (loss) in defined benefit pension plan liability			(35,020)		(35,020)
Equity in other comprehensive income	(20,514)			20,514	
Other comprehensive income (loss)	(20,114)	(14,422)	(4,857)	20,514	(18,879)
Comprehensive income	213,958	82,560	118,476	(194,957)	220,037
Comprehensive income attributable to noncontrolling interests			(6,079)		(6,079)
Comprehensive income attributable to Valmont Industries, Inc.	$ 213,958	$ 82,560	$ 112,397	$ (194,957)	$ 213,958

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Year ended December 31, 2011

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net earnings	$ 228,308	$ 142,900	$ 164,422	$ (298,404)	$ 237,226
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized gains (losses) arising during the period		(958)	(21,018)		(21,976)
Realized loss on sale of investment in foreign entity included in other expense			1,446		1,446
		(958)	(19,572)		(20,530)
Unrealized loss on cash flow hedge:					
Loss arising during the period	(3,568)				(3,568)
Amortization cost included in interest expense	233				233
	(3,335)				(3,335)
Actuarial gain (loss) in defined benefit pension plan liability			22,365		22,365
Equity in other comprehensive income	3,742			(3,742)	
Other comprehensive income (loss)	407	(958)	2,793	(3,742)	(1,500)
Comprehensive income	228,715	141,942	167,215	(302,146)	235,726
Comprehensive income attributable to noncontrolling interests			(7,011)		(7,011)
Comprehensive income attributable to Valmont Industries, Inc.	$ 228,715	$ 141,942	$ 160,204	$ (302,146)	$ 228,715

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Year ended December 25, 2010

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net earnings	$ 94,379	$ 40,148	$ 54,943	$ (89,057)	$ 100,413
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized gains (losses) arising during the period			20,748		20,748
			20,748		20,748
Actuarial gain (loss) in defined benefit pension plan liability			28,952		28,952
Equity in other comprehensive income	46,692			(46,692)	
Other comprehensive income (loss)	46,692		49,700	(46,692)	49,700
Comprehensive income	141,071	40,148	104,643	(135,749)	150,113
Comprehensive income attributable to noncontrolling interests			(9,042)		(9,042)
Comprehensive income attributable to Valmont Industries, Inc.	$ 141,071	$ 40,148	$ 95,601	$ (135,749)	$ 141,071

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONSOLIDATED BALANCE SHEETS
December 29, 2012

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 40,926	$ 83,203	$ 290,000	$	$ 414,129
Receivables, net	144,161	86,403	285,338		515,902
Inventories	146,619	71,988	193,777		412,384
Prepaid expenses	7,153	1,029	16,962		25,144
Refundable and deferred income taxes	29,359	6,904	22,118		58,381
Total current assets	368,218	249,527	808,195		1,425,940
Property, plant and equipment, at cost	456,497	122,937	415,340		994,774
Less accumulated depreciation and amortization	288,226	55,239	138,697		482,162
Net property, plant and equipment	168,271	67,698	276,643		512,612
Goodwill	20,108	107,542	203,141		330,791
Other intangible assets	499	53,517	118,254		172,270
Investment in subsidiaries and intercompany accounts	1,456,159	1,246,777	615,152	(3,318,088)	
Other assets	32,511		94,427		126,938
Total assets	$ 2,045,766	$ 1,725,061	$ 2,115,812	$ (3,318,088)	$ 2,568,551
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current installments of long-term debt	$ 189	$	$ 35	$	$ 224
Notes payable to banks			13,375		13,375
Accounts payable	72,610	22,006	117,808		212,424
Accrued employee compensation and benefits	61,572	10,530	29,803		101,905
Accrued expenses	30,641	4,674	43,188		78,503
Income Taxes Payable		31	669	(700)	
Dividends payable	6,002				6,002
Total current liabilities	171,014	37,241	204,878	(700)	412,433
Deferred income taxes	23,305	27,851	37,144		88,300
Long-term debt, excluding current installments	471,828	599,873	765	(599,873)	472,593
Defined benefit pension liability			112,043		112,043
Deferred compensation	25,200		6,720		31,920
Other noncurrent liabilities	4,507		39,745		44,252
Commitments and contingencies					
Shareholders' equity:					
Common stock of $1 par value	27,900	457,950	254,982	(712,932)	27,900
Additional paid-in capital		150,286	893,274	(1,043,560)	
Retained earnings	1,300,529	467,240	443,337	(910,577)	1,300,529
Accumulated other comprehensive income	43,938	(15,380)	65,826	(50,446)	43,938

Treasury stock	(22,455)				(22,455)
Total Valmont Industries, Inc. shareholders' equity	1,349,912	1,060,096	1,657,419	(2,717,515)	1,349,912
Noncontrolling interest in consolidated subsidiaries			57,098		57,098
Total shareholders' equity	1,349,912	1,060,096	1,714,517	(2,717,515)	1,407,010
Total liabilities and shareholders' equity	$ 2,045,766	$ 1,725,061	$ 2,115,812	$ (3,318,088)	$ 2,568,551

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONSOLIDATED BALANCE SHEETS
December 31, 2011

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 27,545	$ 18,257	$ 317,092	$	$ 362,894
Receivables, net	122,409	53,567	250,707		426,683
Inventories	125,862	77,838	190,082		393,782
Prepaid expenses	3,448	1,009	21,308		25,765
Refundable and deferred income taxes	22,053	6,218	15,548		43,819
Total current assets	301,317	156,889	794,737		1,252,943
Property, plant and equipment, at cost	427,398	107,315	376,929		911,642
Less accumulated depreciation and amortization	283,786	54,740	118,239		456,765
Net property, plant and equipment	143,612	52,575	258,690		454,877
Goodwill	20,108	107,542	187,012		314,662
Other intangible assets	661	59,389	108,033		168,083
Investment in subsidiaries and intercompany accounts	1,338,299	695,745	596,301	(2,630,345)	
Other assets	30,192		85,319		115,511
Total assets	$ 1,834,189	$ 1,072,140	$ 2,030,092	$ (2,630,345)	$ 2,306,076
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current installments of long-term debt	$ 187	$	$ 48	$	$ 235
Notes payable to banks			11,403		11,403
Accounts payable	68,166	21,428	127,135		216,729
Accrued expenses	44,187	8,608	30,818		83,613
Accrued expenses	28,154	5,651	39,710		73,515
Income Tax payable	17,808				17,808
Dividends payable	4,767				4,767
Total current liabilities	163,269	35,687	209,114		408,070
Deferred income taxes	21,891	27,661	35,945		85,497
Long-term debt, excluding current installments	473,419		996		474,415
Defined benefit pension liability			68,024		68,024
Deferred compensation	24,142		6,599		30,741
Other noncurrent liabilities	4,506		36,912		41,418
Commitments and contingencies					
Shareholders' equity:					
Common stock of $1 par value	27,900	457,950	254,982	(712,932)	27,900
Additional paid-in capital		181,542	893,884	(1,075,426)	
Retained earnings	1,079,698	370,258	407,677	(777,935)	1,079,698
Accumulated other comprehensive income	64,052	(958)	65,010	(64,052)	64,052

Treasury stock	(24,688)				(24,688)
Total Valmont Industries, Inc. shareholders' equity	1,146,962	1,008,792	1,621,553	(2,630,345)	1,146,962
Noncontrolling interest in consolidated subsidiaries			50,949		50,949
Total shareholders' equity	1,146,962	1,008,792	1,672,502	(2,630,345)	1,197,911
Total liabilities and shareholders' equity	$ 1,834,189	$ 1,072,140	$ 2,030,092	$ (2,630,345)	$ 2,306,076

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended December 29, 2012

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Cash flows from operating activities:					
Net earnings	$ 234,072	$ 96,982	$ 123,333	$ (215,471)	$ 238,916
Adjustments to reconcile net earnings to net cash flows from operations:					
Depreciation and amortization	19,121	12,923	38,174		70,218
Stock-based compensation	5,829				5,829
Defined benefit pension plan expense			4,281		4,281
Contribution to defined benefit pension plan			(11,591)		(11,591)
Loss on sale of property, plant and equipment	89	(17)	249		321
Equity in earnings in nonconsolidated subsidiaries	(978)		(5,150)		(6,128)
Deferred income taxes	(4,721)	(496)	8,937		3,720
Changes in assets and liabilities (net of the effect from acquisitions):					
Receivables	(21,751)	(32,833)	(30,306)		(84,890)
Inventories	(20,756)	5,850	1,293		(13,613)
Prepaid expenses	(3,705)	(20)	4,968		1,243
Accounts payable	4,446	578	(11,273)		(6,249)
Accrued expenses	20,339	945	(644)		20,640
Other noncurrent liabilities	123		(4,473)		(4,350)
Income taxes payable	(18,979)	350	(1,921)	(700)	(21,250)
Net cash flows from operating activities	213,129	84,262	115,877	(216,171)	197,097
Cash flows from investing activities:					
Purchase of property, plant and equipment	(43,590)	(22,197)	(31,287)		(97,074)
Acquisitions, net of cash acquired			(45,687)		(45,687)
Proceeds from sale of assets	113	39	5,873		6,025
Other, net	(138,869)	(63,791)	(13,467)	216,171	44
Net cash flows from investing activities	(182,346)	(85,949)	(84,568)	216,171	(136,692)
Cash flows from financing activities:					
Net borrowings under short-term agreements			1,828		1,828
Proceeds from long-term borrowings	39,000		126		39,126
Principal payments on long-term obligations	(39,197)		(367)		(39,564)
Dividends paid	(21,520)				(21,520)
Intercompany dividends		64,348	(64,348)		
Sale of EMD shares			1,404		1,404
Dividends to noncontrolling interest			(1,944)		(1,944)
Debt issuance fees	(1,747)				(1,747)
Proceeds from exercises under stock plans	21,827				21,827
Excess tax benefits from stock option exercises	5,494				5,494
Purchase of treasury shares					
Purchase of common treasury shares stock plan exercises:	(21,259)				(21,259)
Net cash flows from financing activities	(17,402)	64,348	(63,301)		(16,355)

Effect of exchange rate changes on cash and cash equivalents		2,285	4,900		7,185
Net change in cash and cash equivalents	13,381	64,946	(27,092)		51,235
Cash and cash equivalents beginning of year	27,545	18,257	317,092		362,894
Cash and cash equivalents end of year	$ 40,926	$ 83,203	$ 290,000	$	$ 414,129

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2011

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Cash flows from operating activities:					
Net earnings	$ 228,308	$ 142,900	$ 164,422	$ (298,404)	$ 237,226
Adjustments to reconcile net earnings to net cash flows from operations:					
Depreciation and amortization	20,570	15,593	38,397		74,560
Stock-based compensation	5,931				5,931
Defined benefit pension plan expense			5,449		5,449
Contribution to defined benefit pension plan			(11,860)		(11,860)
Loss on sale of property, plant and equipment	18	123	552		693
Equity in earnings in nonconsolidated subsidiaries	(1,241)		(6,818)		(8,059)
Deferred income taxes	(4,787)	(964)	(79,211)		(84,962)
Other					
Changes in assets and liabilities (net of the effect from acquisitions):					
Receivables	(16,228)	(2,904)	1,702		(17,430)
Inventories	(61,976)	(45,808)	(11,082)		(118,866)
Prepaid expenses	30	(89)	(3,983)		(4,042)
Accounts payable	22,311	6,174	14,152		42,637
Accrued expenses	18,298	6,112	(12,565)		11,845
Other noncurrent liabilities	598		(6,479)		(5,881)
Income taxes payable	21,329		1,101		22,430
Net cash flows from operating activities	233,161	121,137	93,777	(298,404)	149,671
Cash flows from investing activities:					
Purchase of property, plant and equipment	(19,185)	(12,180)	(51,704)		(83,069)
Acquisitions, net of cash acquired			(1,539)		(1,539)
Proceeds from sale of assets	51	408	3,247		3,706
Other, net	(190,242)	(109,457)	(1,866)	298,404	(3,161)
Net cash flows from investing activities	(209,376)	(121,229)	(51,862)	298,404	(84,063)
Cash flows from financing activities:					
Net borrowings under short-term agreements			2,698		2,698
Proceeds from long-term borrowings	277,832				277,832
Principal payments on long-term obligations	(271,192)		(53)		(271,245)
Dividends paid	(18,227)				(18,227)
Intercompany dividends	14,090	17,730	(31,820)		
Dividends to noncontrolling interest			(4,958)		(4,958)
Purchase of noncontrolling interest			(25,253)		(25,253)
Settlement of financial derivative	(3,568)				(3,568)
Debt issuance fees	(1,339)				(1,339)
Proceeds from exercises under stock plans	20,008				20,008
Excess tax benefits from stock option exercises	3,033				3,033
Purchase of treasury shares	(4,802)				(4,802)
Purchase of common treasury shares stock plan exercises:	(20,090)				(20,090)
Net cash flows from financing activities	(4,255)	17,730	(59,386)		(45,911)

Effect of exchange rate changes on cash and cash equivalents			(3,707)		(3,707)
Net change in cash and cash equivalents	19,530	17,638	(21,178)		15,990
Cash and cash equivalents beginning of year	8,015	619	338,270		346,904
Cash and cash equivalents end of year	$ 27,545	$ 18,257	$ 317,092	$	$ 362,894

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(18) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended December 25, 2010

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Cash flows from operations:					
Net earnings	$ 94,379	$ 40,148	$ 54,943	$ (89,057)	$ 100,413
Adjustments to reconcile net earnings to net cash flows from operations:					
Depreciation and amortization	20,069	12,749	26,845		59,663
Stock-based compensation	7,154				7,154
Defined benefit pension plan expense			5,874		5,874
Loss on sale of property, plant and equipment	66	44	3,093		3,203
Equity in earnings in nonconsolidated subsidiaries	(914)		(1,525)		(2,439)
Deferred income taxes	(657)	4,984	690		5,017
Other	(393)				(393)
Changes in assets and liabilities, before acquisitions:					
Receivables	(30,979)	(2,008)	(18,806)		(51,793)
Inventories	13,820	10,792	(2,291)		22,321
Prepaid expenses	(169)	(465)	4,999		4,365
Accounts payable	9,246	1,643	(11,761)		(872)
Accrued expenses	(6,108)	(9,689)	8,255		(7,542)
Other noncurrent liabilities	(598)				(598)
Income taxes payable (refundable)	(10,395)	14,923	3,319		7,847
Net cash flows from operations	94,521	73,121	73,635	(89,057)	152,220
Cash flows from investing activities:					
Purchase of property, plant and equipment	(11,702)	(4,815)	(19,575)		(36,092)
Proceeds from sale of property, plant and equipment	22	286	11,079		11,387
Acquisitions (net of cash acquired, $198,810)		(436,736)	187,679		(249,057)
Other, net	(1,056)	(76,593)	(359)	89,057	11,049
Net cash flows from investing activities	(12,736)	(517,858)	178,824	89,057	(262,713)
Cash flows from financing activities:					
Net borrowings under short-term agreements		(12)	(3,063)		(3,075)
Proceeds from long-term borrowings	491,000		680		491,680
Principal payments on long-term obligations	(183,188)		(97)		(183,285)
Dividends paid	(16,588)				(16,588)
Dividends to noncontrolling interest			(13,071)		(13,071)
Retirement of Delta plc preference shares			(4,467)		(4,467)
Debt issuance fees	(3,858)				(3,858)
Intercompany loan activity	(443,702)	443,702			
Proceeds from exercises under stock plans	4,464				4,464
Excess tax benefits from stock option exercises	2,021				2,021
Purchase of treasury shares	(2,676)		1,800		(876)
Purchase of common treasury shares stock plan exercises	(3,260)				(3,260)
Net cash flows from financing activities	(155,787)	443,690	(18,218)		269,685

Effect of exchange rate changes on cash and cash equivalents			6,926		6,926
Net change in cash and cash equivalents	(74,002)	(1,047)	241,167		166,118
Cash and cash equivalents beginning of year	82,017	1,666	97,103		180,786
Cash and cash equivalents end of year	$ 8,015	$ 619	$ 338,270	$	$ 346,904

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Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three-year period ended December 29, 2012

(Dollars in thousands, except per share amounts)

(19) QUARTERLY FINANCIAL DATA (Unaudited)

			Net Earnings					
				Per Share		Stock Price		Dividends
	Net Sales	Gross Profit	Amount	Basic	Diluted	High	Low	Declared
2012								
First	$ 717,350	$ 186,314	$ 52,325	$ 1.98	$ 1.96	$ 118.99	$ 90.21	$ 0.180
Second	767,315	199,395	59,980	2.27	2.24	128.40	106.52	0.225
Third	729,839	192,402	56,731	2.14	2.12	136.11	119.23	0.225
Fourth	815,037	224,345	65,036	2.45	2.43	141.18	125.00	0.225
Year	$ 3,029,541	$ 802,456	$ 234,072	$ 8.84	$ 8.75	$ 141.18	$ 90.21	$ 0.855
2011								
First	$ 567,949	$ 136,493	$ 25,609	$ 0.98	$ 0.97	$ 116.02	$ 86.08	$ 0.165
Second	668,609	167,982	45,827	1.74	1.72	110.38	88.36	0.180
Third	672,192	167,390	42,141	1.60	1.59	111.76	78.75	0.180
Fourth(1)	752,730	194,945	114,731	4.35	4.33	93.45	73.00	0.180
Year	$ 2,661,480	$ 666,810	$ 228,308	$ 8.67	$ 8.60	$ 116.02	$ 73.00	$ 0.705

Earnings per share are computed independently for each of the quarters. Therefore, the sum of the quarterly earnings per share may not equal the total for the year.

(1) The fourth quarter of 2011 included $66,026 ($2.49 per share) of income tax benefits associated with a legal restructuring resulting in the removal of valuation allowances on deferred income tax assets and increased income tax basis in certain assets.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

The Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Securities Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports the Company files or submits under the Securities Exchange Act of 1934 is (1) accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures and (2) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Securities Exchange Act Rule 13a-15(f). The Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's internal control over financial reporting. The Company's management used the framework in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations (COSO) to perform this evaluation. Based on that evaluation, the Company's management concluded that the Company's internal control over financial reporting was effective as of December 29, 2012.

The effectiveness of the Company's internal control over financial reporting as of December 29, 2012 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, a copy of which is included in this Annual Report on Form 10-K.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Valmont Industries, Inc.
Omaha, Nebraska

We have audited the internal control over financial reporting of Valmont Industries, Inc. and subsidiaries (the "Company") as of December 29, 2012, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 29, 2012, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 29, 2012 of the Company and our report dated February 26, 2013 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ Deloitte & Touche LLP
Omaha, Nebraska
February 26, 2013

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ITEM 9B. OTHER INFORMATION.

Shareholder Return Performance Graphs

The graphs below compare the yearly change in the cumulative total shareholder return on the Company's common stock with the cumulative total returns of the S&P Mid Cap 400 Index and the S&P Mid Cap 400 Industrial Machinery Index for the five and ten-year periods ended December 29, 2012. The Company was added to these indexes in 2009 by Standard & Poor's. The graphs assume that the beginning value of the investment in Valmont Common Stock and each index was $100 and that all dividends were reinvested.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Except for the information relating to the executive officers of the Company set forth in Part I of this 10-K Report, the information called for by items 10, 11, and 13 is incorporated by reference to the sections entitled "Certain Shareholders", "Corporate Governance", "Board of Directors and Election of Directors", "Compensation Discussion and Analysis", "Compensation Committee Report", "Summary Compensation Table", "Grants of Plan-Based Awards for Fiscal Year 2012", "Outstanding Equity Awards at Fiscal Year-End", "Options Exercised and Stock Vested", "Nonqualified Deferred Compensation", "Director Compensation", "Potential Payments Upon Termination or Change-in-Control" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement.

The Company has adopted a Code of Ethics for Senior Officers that applies to the Company's Chief Executive Officer, Chief Financial Officer and Controller and has posted the code on its website at *www.valmont.com* through the "Investors Relations" link. The Company intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of the Code of Ethics for Senior Officers applicable to the Company's Chief Executive Officer, Chief Financial Officer or Controller by posting that information on the Company's Web site at *www.valmont.com* through the "Investors Relations" link.

ITEM 11. EXECUTIVE COMPENSATION.

See Item 10.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Incorporated herein by reference to "Certain Shareholders" and "Equity Compensation Plan Information" in the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

See Item 10.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The information called for by Item 14 is incorporated by reference to the sections titled "Ratification of Appointment of Independent Auditors" in the Proxy Statement.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a)(1)(2) *Financial Statements and Schedules*.

The following consolidated financial statements of the Company and its subsidiaries are included herein as listed below:

Consolidated Financial Statements

All other schedules have been omitted as the required information is inapplicable or the information is included in the consolidated financial statements or related notes. Separate financial statements of the registrant have been omitted because the registrant meets the requirements which permit omission.

(a)(3) *Exhibits*.

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Schedule II

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
Valuation and Qualifying Accounts
(Dollars in thousands)

	Balance at beginning of period	Delta Acquisition	Charged to profit and loss	Deductions from reserves*	Balance at close of period
Fifty-two weeks ended December 29, 2012					
Reserve deducted in balance sheet from the asset to which it applies					
Allowance for doubtful receivables	$ 7,555		1,336	(993)	$ 7,898
Allowance for deferred income tax asset valuation	123,522		(2,543)		120,979
Fifty-three weeks ended December 31, 2011					
Reserve deducted in balance sheet from the asset to which it applies					
Allowance for doubtful receivables	$ 8,406		1,627	(2,478)	$ 7,555
Allowance for deferred income tax asset valuation	208,130		(84,608)		123,522
Fifty-two weeks ended December 25, 2010					
Reserve deducted in balance sheet from the asset to which it applies					
Allowance for doubtful receivables	$ 5,905	3,124	939	(1,562)	$ 8,406
Allowance for deferred income tax asset valuation	4,529	204,470	(869)		208,130

* The deductions from reserves are net of recoveries.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 26th day of February, 2013.

Valmont Industries, Inc.

By: /s/ MOGENS C. BAY

Mogens C. Bay
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ MOGENS C. BAY Mogens C. Bay	Director, Chairman and Chief Executive Officer (Principal Executive Officer)	2/26/2013
/s/ TERRY J. MCCLAIN Terry J. McClain	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	2/26/2013
/s/ MARK C. JAKSICH Mark C. Jaksich	Vice President and Controller (Principal Accounting Officer)	2/26/2013
Walter Scott, Jr.* Glen A. Barton* Daniel P. Neary* Catherine James Paglia* James B. Milliken*	Kenneth E. Stinson* Stephen R. Lewis, Jr.* K.R. (Kaj) den Daas* Clark (Sandy) Randt*	

* Mogens C. Bay, by signing his name hereto, signs the Annual Report on behalf of each of the directors indicated on this 26th day of February, 2013. A Power of Attorney authorizing Mogens C. Bay to sign the Annual Report on Form 10-K on behalf of each of the indicated directors of Valmont Industries, Inc. has been filed herein as Exhibit 24.

By: /s/ MOGENS C. BAY

Mogens C. Bay
Attorney-in-Fact

INDEX TO EXHIBITS

Exhibit 3.1	The Company's Restated Certificate of Incorporation, as amended. This document was filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 28, 2009 and is incorporated herein by this reference.
Exhibit 3.2*	The Company's By-Laws, as amended.
Exhibit 4.1	Credit Agreement, dated as of August 15, 2012, among the Company, Valmont Industries Holland B.V. and Valmont Group Pty. Ltd., as Borrowers, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other lenders party thereto. This document was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 15, 2012 and is incorporated herein by reference.
Exhibit 4.2	Indenture relating to senior subordinated debt dated as of May 4, 2004 between Valmont, the subsidiary guarantors named therein, and Wells Fargo Bank, National Association as Trustee. This document was filed as Exhibit 4.2 to the Company's Annual Report on Form 10-K for the year ended December 26, 2009 and is incorporated herein by this reference.
Exhibit 4.3	Supplemental Indenture dated as of March 3, 2010 to Indenture dated as of May 4, 2004 between Valmont, the subsidiary guarantors named therein, and Wells Fargo Bank, National Association as Trustee. This document was filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 27, 2009 and is incorporated herein by this reference.
Exhibit 4.4	Indenture relating to senior debt, dated as of April 12, 2010, among Valmont Industries, Inc., the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association., as Trustee. This document was filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated April 12, 2010 and is incorporated herein by this reference.
Exhibit 4.5	First Supplemental Indenture, dated as of April 12, 2010, among Valmont Industries, Inc., the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, as Trustee. This document was filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated April 12, 2010 and is incorporated herein by this reference.
Exhibit 4.6	Credit Agreement, dated as of October 16, 2008, among the Company, Valmont Industries Holland B.V. and Valmont Singapore Pte. Ltd. as Borrowers, Bank of America, N.A., as Administrative Agent, Swing Line Lender, L/C Issuer and Alternative Currency Funding Fronting Lender, Banc of America Securities Asia Limited, as Singapore Loan Agent, Bank of America N.A. Singapore Branch, as Singapore Borrowing Funding Lender, and other lenders party thereto. This document was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 16, 2008 and is incorporated herein by reference.
Exhibit 10.1	The Company's 1996 Stock Plan. This document was filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended December 26, 2009 and is incorporated herein by this reference.
Exhibit 10.2	The Company's 1999 Stock Plan, as amended. This document was filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 26, 2009 and is incorporated herein by this reference.

Exhibit 10.3	The Company's 2002 Stock Plan. This document was filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2011 and is incorporated herein by reference.
Exhibit 10.4	Amendment No. 1 to Valmont 2002 Stock Plan. This document was filed as Exhibit 10.4 to the Company's Annual Report on Form 10-K for the year ended December 26, 2009 and is incorporated herein by this reference.
Exhibit 10.5	The Company's 2008 Stock Plan. This document was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 28, 2008 and is incorporated herein by reference.
Exhibit 10.6	Form of Stock Option Agreement. This document was filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2011 and is incorporated herein by reference.
Exhibit 10.7	Form of Restricted Stock Agreement. This document was filed as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2011 and is incorporated herein by reference.
Exhibit 10.8	Form of Restricted Stock Unit Agreement. This document was filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated December 14, 2008 and is incorporated herein by reference.
Exhibit 10.9*	Form of Director Stock Option Agreement.
Exhibit 10.10	The 2008 Valmont Executive Incentive Plan. This document was filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 28, 2008 and is incorporated herein by reference.
Exhibit 10.11	Director and Named Executive Officers Compensation, is incorporated by reference to the sections entitled "Compensation Discussion and Analysis", "Compensation Committee Report", "Summary Compensation Table", "Grants of Plan-Based Awards for Fiscal Year 2012", "Outstanding Equity Awards at Fiscal Year-End", "Options Exercised and Stock Vested", "Nonqualified Deferred Compensation", and "Director Compensation" in the Company's Proxy Statement for the Annual Meeting of Stockholders on April 30, 2013.
Exhibit 10.12	The Amended Unfunded Deferred Compensation Plan for Nonemployee Directors. This document was filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated December 14, 2008 and is incorporated herein by this reference.
Exhibit 10.13	VERSP Deferred Compensation Plan. This document was filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated December 14, 2008 and is incorporated herein by reference.
Exhibit 21*	Subsidiaries of the Company.
Exhibit 23*	Consent of Deloitte & Touche LLP.
Exhibit 24*	Power of Attorney.
Exhibit 31.1*	Section 302 Certification of Chief Executive Officer.
Exhibit 31.2*	Section 302 Certification of Chief Financial Officer.
Exhibit 32.1*	Section 906 Certifications.

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Exhibit 101	The following financial information from the Company's Annual Report on Form 10-K for the year ended December 29, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Earnings, (ii) the Consolidated Statements of Comprehensive Income,(iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Shareholders' Equity, (vi) Notes to Consolidated Financial Statements, and (vii) document and entity information.

*
Filed herewith

Pursuant to Item 601(b)(4) of Regulation S-K, certain instruments with respect to the registrant's long-term debt are not filed with this Form 10-K. Valmont will furnish a copy of such long-term debt agreements to the Securities and Exchange Commission upon request.

Management contracts and compensatory plans are set forth as exhibits 10.1 through 10.13.