

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Second Quarter Ended
June 28, 1997

Commission File Number
0-3701

VALMONT INDUSTRIES, INC.

Valley, Nebraska 68064
Telephone Number 402-359-2201

Delaware
(State of Incorporation)

47-0351813
(I.R.S. Employer Identification No.)

Indicate by check mark whether the registrant (1) has filed all reports to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months, and (2) has been subject to such filing requirements for the past ninety days. Yes No

As of July 28, 1997 there were outstanding 27,513,371 common shares of the registrant.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

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June 29, 1996

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands except per share amounts)
(Unaudited)

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 28, 1997	June 29, 1996	June 28, 1997	June 29, 1996
	-----	-----	-----	-----
Net sales	\$159,100	\$166,849	\$324,518	\$315,763
Cost of sales	114,956	122,936	235,758	231,851
	-----	-----	-----	-----
Gross profit	44,144	43,913	88,760	83,912
Selling, general and administrative expenses	27,641	29,693	57,680	57,967
	-----	-----	-----	-----
Operating income	16,503	14,220	31,080	25,945
	-----	-----	-----	-----
Other income (deductions):				
Interest expense	(1,065)	(1,010)	(1,963)	(2,009)
Interest income	246	75	271	164
Miscellaneous	(191)	16	59	(53)
	-----	-----	-----	-----
	(1,010)	(919)	(1,633)	(1,898)
	-----	-----	-----	-----
Earnings before income taxes	15,493	13,301	29,447	24,047
	-----	-----	-----	-----
Income tax expense:				
Current	6,140	5,127	6,840	8,727

Deferred	(540)	(327)	3,760	(127)
	-----	-----	-----	-----
	5,600	4,800	10,600	8,600
	-----	-----	-----	-----
Net Earnings	\$ 9,893	\$ 8,501	\$ 18,847	\$ 15,447
	=====	=====	=====	=====
Net Earnings per share	\$ 0.35	\$ 0.30	\$ 0.67	\$ 0.56
	=====	=====	=====	=====
Cash dividends per share	\$0.05625	\$ 0.05	\$0.10625	\$ 0.0875
	=====	=====	=====	=====
Weighted average number of shares of common and common equivalent shares outstanding (000)	28,232	28,026	28,221	27,790
	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)
(Unaudited)

ASSETS	June 28, 1997	December 28, 1996
-----	-----	-----
Current assets:		
Cash and cash equivalents	\$ 10,638	\$ 9,483
Receivables	97,323	82,224
Deferred income taxes	7,511	16,521
Inventories	74,108	73,359
Assets held for sale	--	26,903
Prepaid expenses	2,051	2,356
	-----	-----
Total current assets	191,631	210,846
	-----	-----
Other assets:		
Investments in nonconsolidated affiliates	4,353	4,307
Other	4,764	5,916
	-----	-----
Total other assets	9,117	10,223
	-----	-----
Net property, plant and equipment	138,244	120,579
	-----	-----
Total assets	\$ 338,992	\$ 341,648
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY		

Current liabilities:		
Current installments of long-term debt	\$ 7,321	\$ 7,693
Notes payable to banks	7,657	24,007
Accounts payable	50,095	43,699
Accrued expenses	46,402	52,678
Dividends payable	1,547	1,366
	-----	-----
Total current liabilities	113,022	129,443
	-----	-----
Deferred income taxes	7,638	9,531
Long-term debt, excl. current installments	19,431	21,880
Minority interest in consolidated subsidiaries	3,806	2,250
Other noncurrent liabilities	3,448	3,313
	-----	-----
Shareholders' equity:		
Preferred stock	--	--
Common stock of \$1 par value	27,900	13,950
Additional paid-in capital	140	6,458
Retained earnings	163,771	153,146
Currency translation adjustment	(119)	1,737
Treasury stock	(12)	(18)
Unearned restricted stock	(33)	(42)
	-----	-----
Total shareholders' equity	191,647	175,231
	-----	-----
Total liabilities and shareholders' equity	\$ 338,992	\$ 341,648
	=====	=====

See accompanying notes to consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

Twenty-six Weeks Ended

	June 28, 1997	June 29, 1996
Net cash provided by operations	\$ 20,240	\$ 11,573
Cash flows from investment activities:		
Purchase of property, plant & equipment	(26,936)	(16,618)
Change in other assets	810	(2,203)
Acquisitions	(627)	(762)
Proceeds from investment by minority shareholders	2,381	--
Proceeds from sale, net of gain, of property and equipment	96	1,266
Proceeds from sale of assets held for sale	25,000	--
Other, net	(57)	(246)
Net cash provided (used) by investment activities	667	(18,563)
Cash flows from financing activities:		
Net borrowings (repayments) under short-term agreements	(16,154)	3,170
Proceeds from long-term borrowings	--	1,598
Principal payments on long-term obligations	(2,127)	(1,999)
Dividends paid	(2,739)	(2,036)
Proceeds from exercise of employee stock plans	1,247	831
Proceeds from issuance of common stock	905	--
Purchase of common treasury shares	(884)	(397)
Net cash provided (used) by financing activities	(19,752)	1,167
Net increase (decrease) in cash and cash equivalents	1,155	(5,823)
Cash and cash equivalents--beginning of period	9,483	16,996
Cash and cash equivalents--end of period	\$10,638	\$ 11,173
	=====	=====

See accompanying notes to consolidated financial statements.

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

1. Condensed Consolidated Financial Statements

The Condensed Consolidated Balance Sheet as of June 28, 1997 and the Condensed Consolidated Statements of Operations for the thirteen and twenty-six week periods ended June 28, 1997 and June 29, 1996 and the Condensed Consolidated Statements of Cash Flows for the twenty-six week periods then ended have been prepared by the Company, without audit. In the opinion of management, all necessary adjustments (which include normal recurring adjustments) have been made to present fairly the financial position as of June 28, 1997 and for all periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These Condensed Consolidated

Financial Statements should be read in conjunction with the financial statements and notes thereto included in the Company's December 28, 1996 Annual Report to shareholders. The results of operations for the period ended June 28, 1997 are not necessarily indicative of the operating results for the full year.

2. Dispositions of Assets

On January 29, 1997, pursuant to a stock purchase agreement between the Company and Chicago Miniature Lamp, Inc. dated January 3, 1997, the Company completed the sale to Chicago Miniature Lamp, Inc., of all outstanding stock of Valmont Electric, Inc. for approximately \$25.0 million cash. The sale of the subsidiary's stock included Valmont's magnetic and electronic ballast businesses located in El Paso, Texas and Juarez, Mexico. In compliance with Statement of Financial Accounting Standards (SFAS) Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", the Company recorded an asset valuation charge in 1996 to reflect the value of the assets of the ballast businesses. As such, there was no gain or loss recorded in 1997 upon the sale of such assets.

3. Inventories

Approximately 71% of the Company's inventories are valued at cost on the basis of the last-in first-out (LIFO) dollar value method under the natural business unit concept, which is not in excess of market (net realizable value). As a result, it is not possible to segregate the inventories into their component values of raw material, work-in-process and finished goods. All other inventories are valued at lower of first-in first-out (FIFO) cost or market (net realizable value).

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

(Continued)

4. Cash Flows

The Company considers cash and cash investments with a maturity of three months or less when purchased, to be cash equivalents. Interest paid was \$2,112 and \$1,733 for the twenty-six week periods ended June 28, 1997 and June 29, 1996, respectively. Income taxes paid, net of refunds, were \$1,564 and \$6,233 for the twenty-six week periods ended June 28, 1997 and June 29, 1996.

5. Earnings Per Share

Earnings per share are based on the weighted average number of common shares outstanding and equivalent common shares from in-the-money stock options. The difference between primary and fully-diluted earnings per share is not material. On April 28, 1997, the Company's Board of Directors declared a two-for-one stock split. All references in the financial statements with regard to number of shares of common stock and related dividends and per share amounts have been restated to reflect the stock split.

6. Use of Estimates

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

7. Recently Issued Accounting Pronouncements

In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings Per Share", which is effective for fiscal years ending after December 15, 1997. SFAS 128 specifies the computation, presentation and disclosure requirements for earnings per share. The objective of the statement is to simplify the computation of earnings per share. Earnings per share computed in accordance with SFAS 128 is not expected to be materially different than earnings per share as currently reported.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis contains forward looking statements which reflect management's current views and estimates of future economic circumstances, industry conditions, company performance and the financial results. The statements are based on many assumptions and factors, including availability and price of raw materials, product pricing, competitive environment and related domestic and international market conditions, operating efficiencies, and actions of domestic and foreign governments. Any changes in such assumptions or factors could produce significantly different results.

Results of Operations

For the second quarter of 1997 net sales were \$159.1 million, a decrease of 4.6% over the \$166.8 million for the same period last year. Excluding 1996 sales from Valmont Electric which the Company sold earlier this year, sales increased for the quarter. Net sales for the first two quarters of 1997 excluding the Valmont Electric sales were \$324.5 million versus \$315.8 million in the same period last year. Sales in the Irrigation Products Segment for the second quarter of 1997 and year-to-date were at record high levels. North America irrigation sales were at the same levels as reported in 1996 as high farm income prompted U.S. farmers to continue to purchase irrigation equipment. Sales of irrigation products to international markets for the second quarter of 1997 increased compared to sales for the same period a year ago, as a result of continuing growth in the demand for grain products and the need to use water and land resources more efficiently.

Sales in the Industrial Products Segment decreased in the second quarter and increased year-to-date 1997, compared to the same periods in 1996. Excluding second quarter 1996 sales of Valmont Electric which the Company sold in January of 1997, both second quarter and year-to-date sales increased compared to the same periods in 1996. Increased shipments in lighting and traffic signal poles and continued demand for communication poles, towers, components and installation services as well as a shift in large capacity to support a growing utility business in North America combined to provide the primary reasons for the sales growth. In Europe, sales were up due to improving market conditions. Wireless communication pole and tower sales in Europe were up significantly. Also, the start-up operation in China has continued to increase its sales levels and has added to the overall increase in sales both for the quarter and year-to-date.

Gross profit as a percent of sales was 27.7% and 26.3% for the second quarter of 1997 and 1996, respectively. Year-to-date gross profit was 27.4% compared to 26.6% for 1997 and 1996, respectively. These increases result from the sale of the ballast business in January of 1997 which had lower gross profit margins than that of the Company as a whole.

Selling, general and administrative (SG&A) expenses were reduced to \$27.6 million for second quarter of 1997 and \$29.7 million for the same period of 1996 reflecting the sale of Valmont Electric in early 1997; and, as a percent of sales, SG&A expenses for the respective quarters were 17.4% and 17.8%. SG&A expenses for the first two quarters of 1997 and 1996 were \$57.7 million and \$58.0 million, respectively. Year-to-date SG&A expenses, as a percent of sales, were 17.8% for 1997 and 18.4% for 1996. The changes reflect the Company's ability to leverage SG&A expenses.

(Continued)

For the second quarter of 1997 interest expense increased to \$1.1 million compared from \$1.0 million in the same period of 1996. Year-to-date, interest expense was unchanged at \$2.0 million in 1997 and 1996.

The effective income tax rates for the first two quarters of 1997 and 1996 were 36.1% and 35.8%, respectively, which do not vary significantly from the expected statutory rate for the periods.

As a result of the aforementioned operating factors and general business conditions, net earnings increased to \$18.8 million in the first twenty-six weeks of 1997 from \$15.4 million in the same period in 1996. For the second quarter, net earnings were \$9.9 million in 1997 versus \$8.5 million in 1996. Earnings per share were \$0.67 and \$0.56 for the first twenty-six weeks of 1997 and 1996, respectively and \$0.35 and \$0.30 for the second quarter of 1997 and 1996, respectively.

Liquidity and Capital Resources

Net working capital at June 28, 1997 amounted to \$78.6 million compared to \$81.4 million at December 28, 1996. The ratio of current assets to current liabilities was 1.7:1 at June 28, 1997 versus 1.6:1 at December 28, 1996.

Expenditures for property, plant and equipment for the twenty-six week period ended June 28, 1997 were approximately \$26.9 million, while depreciation of property, plant & equipment was \$7.5 million.

Available lines of credit total \$55.0 million of which approximately \$51.4 million was unused at June 28, 1997. Long-term debt was 11.3% of total capitalization at June 28, 1997 versus 12.3% at December 28, 1996.

The Company believes that cash flow from operations, the credit facilities and capital structure now in place will be adequate to satisfy planned capital expenditures, dividends and other financial commitments.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES PART II. OTHER INFORMATION

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Valmont's annual shareholders' meeting was held on April 28, 1997. The shareholders voted to elect four directors and to ratify the appointment of Deloitte & Touche LLP as independent accountants for fiscal 1997. For the annual meeting there were 13,697,814 shares outstanding and eligible to vote of which 12,400,213 were present at the meeting in person or by proxy. The tabulation for each matter voted upon at the meeting was as follows:

Election of Directors:

(all shares shown pre-split)

	For	Withheld	Abstain
	---	-----	-----
Robert B. Daugherty	12,393,237	6,976	-0-
Allen F. Jacobson	12,391,938	8,275	-0-
Kenneth E. Stinson	12,392,838	7,375	-0-
Robert G. Wallace	12,392,738	7,475	-0-

Proposal to ratify the appointment Deloitte & Touche LLP as independent accountants for fiscal 1997:

For	12,114,234
Against	173,052
Abstain	112,927
Broker Non-vote	-0-

Item 5. OTHER INFORMATION

On April 28, 1997, the Board of Directors of the Company declared a two-for-one split in the form of a dividend of the Company's common stock and a 12.5% increase in the cash dividend. The additional shares from the stock split were paid on May 30, 1997 to holders of record on May 9, 1997. The second quarter cash dividend payable in July 1997, was 5.625 cents per share on a post-splitbasis (11.5 cents pre-split) up from a previous 5 cent post split quarterly rate (10 cents pre-split).

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27 Financial Data Schedule

(b) Reports on Form 8-K:

The Company filed no reports on Form 8-K during the past fiscal quarter.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf and by the undersigned hereunto duly authorized.

VALMONT INDUSTRIES, INC.
(Registrant)
/s/ Terry J. McClain

Terry J. McClain
Vice President and
Chief Financial Officer
(Principal Financial Officer)

Dated this 29th day of July, 1997.

This schedule contains summary financial information extracted from SEC Form 10-Q and is qualified in its entirety by reference to such financial statements.

1,000

6-MOS	DEC-28-1997	
	JUN-28-1997	10,638
		0
		97,323
		0
		74,108
	191,631	138,244
		0
	338,992	
113,022		0
	0	0
		27,900
		163,747
338,992		324,518
	324,518	235,758
		235,758
	57,680	0
	0	1,963
	1,963	29,447
	29,447	10,600
18,847	18,847	0
		0
		0
		18,847
		0.67
		0.67