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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended March 29, 2014

or

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)

(Former name, former address and former fiscal year, if changed since last report)

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 No

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 No

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.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a smaller
reporting company)

Smaller reporting company

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

26,883,338

Outstanding shares of common stock as of April 22, 2014

VALMONT INDUSTRIES, INC.

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(Dollars in thousands, except per share amounts)

(Unaudited)

	Thirteen Weeks Ended	
	March 29, 2014	March 30, 2013
Product sales	\$ 681,043	\$ 740,447
Services sales	70,697	79,183
Net sales	751,740	819,630
Product cost of sales	497,843	529,161
Services cost of sales	46,915	55,100
Total cost of sales	544,758	584,261
Gross profit	206,982	235,369
Selling, general and administrative expenses	108,134	117,179
Operating income	98,848	118,190
Other income (expenses):		
Interest expense	(8,197)	(8,190)
Interest income	1,739	1,353
Other	(5,812)	1,556
	(12,270)	(5,281)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	86,578	112,909
Income tax expense (benefit):		
Current	32,938	38,660
Deferred	(2,923)	(3,687)
	30,015	34,973
Earnings before equity in earnings of nonconsolidated subsidiaries	56,563	77,936
Equity in earnings of nonconsolidated subsidiaries	—	204
Net earnings	56,563	78,140
Less: Earnings attributable to noncontrolling interests	(583)	(571)
Net earnings attributable to Valmont Industries, Inc.	\$ 55,980	\$ 77,569
Earnings per share:		
Basic	\$ 2.10	\$ 2.92
Diluted	\$ 2.08	\$ 2.89
Cash dividends declared per share	\$ 0.250	\$ 0.225
Weighted average number of shares of common stock outstanding—Basic (000 omitted)	26,715	26,583
Weighted average number of shares of common stock outstanding—Diluted (000 omitted)	26,950	26,859

See accompanying notes to condensed consolidated financial statements.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in thousands)

(Unaudited)

	Thirteen Weeks Ended	
	March 29, 2014	March 30, 2013
Net earnings	\$ 56,563	\$ 78,140
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments:		
Unrealized translation gain (loss)	11,637	(9,620)
Realized loss included in net earnings during the period	—	(5,194)
Unrealized loss on cash flow hedge:		
Amortization cost included in interest expense	100	100
Actuarial gain (loss) in defined benefit pension plan	(233)	(936)
Other comprehensive income (loss)	11,504	(15,650)
Comprehensive income	68,067	62,490
Comprehensive loss (income) attributable to noncontrolling interests	88	1,640
Comprehensive income attributable to Valmont Industries, Inc.	<u>\$ 68,155</u>	<u>\$ 64,130</u>

See accompanying notes to condensed consolidated financial statements.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

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

(Unaudited)

	March 29, 2014	December 28, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 488,195	\$ 613,706
Receivables, net	529,693	515,440
Inventories	424,825	380,000
Prepaid expenses	57,913	22,997
Refundable and deferred income taxes	57,935	65,697
Total current assets	<u>1,558,561</u>	<u>1,597,840</u>
Property, plant and equipment, at cost	1,171,914	1,017,126
Less accumulated depreciation and amortization	559,711	482,916
Net property, plant and equipment	<u>612,203</u>	<u>534,210</u>
Goodwill	355,844	349,632
Other intangible assets, net	226,469	170,917
Other assets	132,789	123,895
Total assets	<u>\$ 2,885,866</u>	<u>\$ 2,776,494</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current installments of long-term debt	\$ 188	\$ 202
Notes payable to banks	14,860	19,024
Accounts payable	234,218	216,121
Accrued employee compensation and benefits	86,327	122,967
Accrued expenses	91,110	71,560
Income taxes payable	9,967	—
Dividends payable	6,721	6,706
Total current liabilities	<u>443,391</u>	<u>436,580</u>
Deferred income taxes	104,642	78,924
Long-term debt, excluding current installments	479,141	470,907
Defined benefit pension liability	139,047	154,397
Deferred compensation	46,502	39,109
Other noncurrent liabilities	53,340	51,731
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; 27,900,000 issued	27,900	27,900
Retained earnings	1,615,696	1,562,670
Accumulated other comprehensive income (loss)	(35,510)	(47,685)
Treasury stock	(19,897)	(20,860)
Total Valmont Industries, Inc. shareholders' equity	<u>1,588,189</u>	<u>1,522,025</u>
Noncontrolling interest in consolidated subsidiaries	31,614	22,821
Total shareholders' equity	<u>1,619,803</u>	<u>1,544,846</u>
Total liabilities and shareholders' equity	<u>\$ 2,885,866</u>	<u>\$ 2,776,494</u>

See accompanying notes to condensed consolidated financial statements.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(Unaudited)

	Thirteen Weeks Ended	
	March 29, 2014	March 30, 2013
Cash flows from operating activities:		
Net earnings	\$ 56,563	\$ 78,140
Adjustments to reconcile net earnings to net cash flows from operations:		
Depreciation and amortization	19,601	19,208
Loss on investment	3,386	—
Stock-based compensation	1,880	1,675
Defined benefit pension plan expense	662	1,633
Contribution to defined benefit pension plan	(17,484)	(10,346)
Gain on sale of property, plant and equipment	(127)	(66)
Equity in earnings in nonconsolidated subsidiaries	—	(204)
Deferred income taxes	(2,923)	(3,687)
Changes in assets and liabilities (net of acquisitions):		
Receivables	31,668	19,006
Inventories	(37,911)	(30,390)
Prepaid expenses	(9,148)	(2,786)
Accounts payable	(12,471)	(5,303)
Accrued expenses	(29,889)	(17,808)
Other noncurrent liabilities	1,551	1,130
Income taxes payable	16,559	14,410
Net cash flows from operating activities	<u>21,917</u>	<u>64,612</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(23,526)	(21,845)
Proceeds from sale of assets	1,391	29,415
Acquisitions, net of cash acquired	(120,483)	(54,714)
Other, net	(990)	2,789
Net cash flows from investing activities	<u>(143,608)</u>	<u>(44,355)</u>
Cash flows from financing activities:		
Net borrowings under short-term agreements	(4,056)	(573)
Principal payments on long-term borrowings	(63)	(16)
Dividends paid	(6,706)	(6,001)
Dividends to noncontrolling interest	(351)	(1,476)
Proceeds from exercises under stock plans	7,860	11,697
Excess tax benefits from stock option exercises	2,296	226
Purchase of common treasury shares—stock plan exercises	(8,574)	(12,375)
Net cash flows from financing activities	<u>(9,594)</u>	<u>(8,518)</u>
Effect of exchange rate changes on cash and cash equivalents	5,774	(5,872)
Net change in cash and cash equivalents	<u>(125,511)</u>	<u>5,867</u>
Cash and cash equivalents—beginning of year	613,706	414,129
Cash and cash equivalents—end of period	<u>\$ 488,195</u>	<u>\$ 419,996</u>

See accompanying notes to condensed consolidated financial statements.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Dollars in thousands)

(Unaudited)

	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 29, 2012	\$ 27,900	\$ —	\$ 1,300,529	\$ 43,938	\$ (22,455)	\$ 57,098	\$ 1,407,010
Net earnings	—	—	77,569	—	—	571	78,140
Other comprehensive income (loss)	—	—	—	(13,439)	—	(2,211)	(15,650)
Cash dividends declared	—	—	(6,020)	—	—	—	(6,020)
Dividends to noncontrolling interests	—	—	—	—	—	(1,476)	(1,476)
Acquisition of Locker	—	—	—	—	—	325	325
Stock plan exercises; 77,955 shares acquired	—	—	—	—	(12,375)	—	(12,375)
Stock options exercised; 156,342 shares issued	—	(1,901)	659	—	12,939	—	11,697
Tax benefit from stock option exercises	—	226	—	—	—	—	226
Stock option expense	—	1,313	—	—	—	—	1,313
Stock awards; 2,667 shares issued	—	362	—	—	373	—	735
Balance at March 30, 2013	<u>\$ 27,900</u>	<u>\$ —</u>	<u>\$ 1,372,737</u>	<u>\$ 30,499</u>	<u>\$ (21,518)</u>	<u>\$ 54,307</u>	<u>\$ 1,463,925</u>
Balance at December 28, 2013	\$ 27,900	\$ —	\$ 1,562,670	\$ (47,685)	\$ (20,860)	\$ 22,821	\$ 1,544,846
Net earnings	—	—	55,980	—	—	583	56,563
Other comprehensive income (loss)	—	—	—	12,175	—	(671)	11,504
Cash dividends declared	—	—	(6,721)	—	—	—	(6,721)
Dividends to noncontrolling interests	—	—	—	—	—	(351)	(351)
Acquisition of DS SM	—	—	—	—	—	9,232	9,232
Stock plan exercises; 57,854 shares acquired	—	—	—	—	(8,574)	—	(8,574)
Stock options exercised; 110,339 shares issued	—	(4,176)	3,767	—	8,269	—	7,860
Tax benefit from stock option exercises	—	2,296	—	—	—	—	2,296
Stock option expense	—	1,263	—	—	—	—	1,263
Stock awards; 8,290 shares issued	—	617	—	—	1,268	—	1,885
Balance at March 29, 2014	<u>\$ 27,900</u>	<u>\$ —</u>	<u>\$ 1,615,696</u>	<u>\$ (35,510)</u>	<u>\$ (19,897)</u>	<u>\$ 31,614</u>	<u>\$ 1,619,803</u>

See accompanying notes to condensed consolidated financial statements.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

(Unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Condensed Consolidated Financial Statements

The Condensed Consolidated Balance Sheet as of March 29, 2014, the Condensed Consolidated Statements of Earnings and Comprehensive Income for the thirteen weeks ended March 29, 2014 and March 30, 2013, and the Condensed Consolidated Statements of Cash Flows and Shareholders' Equity for the thirteen 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 statements as of March 29, 2014 and for all periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America 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 Annual Report on Form 10-K for the fiscal year ended December 28, 2013. The accounting policies and methods of computation followed in these interim financial statements are the same as those followed in the financial statements for the year ended December 28, 2013. The results of operations for the period ended March 29, 2014 are not necessarily indicative of the operating results for the full year.

Inventories

Approximately 44% and 43% of inventory is valued at the lower of cost, determined on the last-in, first-out (LIFO) method, or market as of March 29, 2014 and December 28, 2013, 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 \$45,601 and \$45,204 at March 29, 2014 and December 28, 2013, respectively.

Inventories consisted of the following:

	March 29, 2014	December 28, 2013
Raw materials and purchased parts	\$ 183,412	\$ 179,576
Work-in-process	39,617	27,294
Finished goods and manufactured goods	247,397	218,334
Subtotal	470,426	425,204
Less: LIFO reserve	45,601	45,204
	<u>\$ 424,825</u>	<u>\$ 380,000</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries for the thirteen weeks ended March 29, 2014 and March 30, 2013, were as follows:

	Thirteen Weeks Ended	
	2014	2013
United States	\$ 71,694	\$ 89,384
Foreign	14,884	23,525
	<u>\$ 86,578</u>	<u>\$ 112,909</u>

Pension Benefits

The Company incurs expenses in connection with the Delta Pension Plan ("DPP"). The DPP was acquired as part of the Delta plc acquisition in fiscal 2010 and has no members that are active employees. 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.

The components of the net periodic pension expense for the thirteen weeks ended March 29, 2014 and March 30, 2013 were as follows:

	2014	2013
Net periodic benefit expense:		
Interest cost	\$ 7,197	\$ 6,571
Expected return on plan assets	(6,535)	(4,938)
Net periodic benefit expense	<u>\$ 662</u>	<u>\$ 1,633</u>

Stock Plans

The Company maintains stock-based compensation plans approved by the shareholders, which provide that the Human Resource 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 March 29, 2014, 1,476,466 shares of common stock remained available for issuance under the plans. Shares and options issued and available are subject to changes in capitalization.

Under the plans, the exercise price of each option equals the closing market price at the date 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.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expiration of grants is from six to ten years from the date of grant. The Company's compensation expense (included in selling, general and administrative expenses) and associated income tax benefits related to stock options for the thirteen weeks ended March 29, 2014 and March 30, 2013, respectively, were as follows:

	Thirteen Weeks Ended	
	2014	2013
Compensation expense	\$ 1,263	\$ 1,313
Income tax benefits	486	506

Equity Method Investments

The Company has equity method investments in non-consolidated subsidiaries, which are recorded within "Other assets" on the Condensed Consolidated Balance Sheet. In February 2013, the Company sold its nonconsolidated investment in Manganese Materials Company Pty. Ltd. to the majority owner of the business for approximately \$29,250. The profit on the sale was not significant, which included the recognition of \$5,194 in currency translation adjustments previously recorded as part of "Accumulated other comprehensive income" on the Condensed Consolidated Balance Sheet. The Company also recognized certain deferred tax benefits of approximately \$3,200 associated with the sale in the first quarter of fiscal 2013.

Fair Value

The Company applies the provisions of Accounting Standards Codification 820, *Fair Value Measurements* ("ASC 820") which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC 820 apply to other accounting pronouncements that require or permit fair value measurements. As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820 establishes 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. Inputs refer 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.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)
(Unaudited)
(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 of \$34,175 (\$27,133 in December 2013) represent mutual funds, invested in debt and equity securities, classified as trading securities in accordance with Accounting Standards Codification 320, *Accounting for Certain Investments in Debt and Equity Securities*, considering the employee's ability to change investment allocation of their deferred compensation at any time. The Company's ownership in Delta EMD Pty. Ltd. (JSE:DTA) of \$10,255 and \$13,910 is recorded at fair value at March 29, 2014 and December 28, 2013, respectively. Quoted market prices are available for these securities in an active market and therefore categorized as a Level 1 input.

	Carrying Value March 29, 2014	Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Trading Securities	\$ 44,430	\$ 44,430	\$ —	\$ —

	Carrying Value December 28, 2013	Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Trading Securities	\$ 41,043	\$ 41,043	\$ —	\$ —

Comprehensive Income

Comprehensive income includes net earnings, 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 liabilities are translated at the exchange rates in effect on the balance sheet dates. Accumulated other comprehensive income (loss) consisted of the following at March 29, 2014 and December 28, 2013:

	Foreign Currency Translation Adjustments	Unrealized Loss on Cash Flow Hedge	Defined Benefit Pension Plan	Accumulated Other Comprehensive Income
Balance at December 28, 2013	\$ (20,165)	\$ (2,535)	\$ (24,985)	\$ (47,685)
Current-period comprehensive income (loss)	12,308	100	(233)	12,175
Balance at March 29, 2014	\$ (7,857)	\$ (2,435)	\$ (25,218)	\$ (35,510)

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(2) ACQUISITIONS

On March 3, 2014, the Company purchased 90% of the outstanding shares of DS SM A/S, which was renamed Valmont SM. Valmont SM is a manufacturer of heavy complex steel structures for a diverse range of industries including wind energy, offshore oil and gas, and electricity transmission. Valmont SM's operations are reported in the Engineered Infrastructure Products Segment. Valmont SM's annual sales are approximately \$190,000 and operates two manufacturing locations in Denmark. The purchase price paid for the business at closing (net of \$56 cash acquired) was \$120,483, including the payoff of an intercompany loan. The purchase is subject to an earn-out clause that is contingent on meeting future operational metrics for which no liability has been established based on current expectations. Additionally, the fair value measurements are subject to a trade working capital adjustment that has not yet been finalized. The acquisition, which was funded by cash held by the Company, was completed to participate in markets for wind energy, oil and gas exploration, power transmission and other related infrastructure markets. The excess purchase price over the fair value of assets resulted in goodwill, which is not deductible for tax purposes.

The preliminary fair value measurement was completed at March 29, 2014, subject to management reviews and completion of the fair value measurements of the assets acquired and liabilities assumed. The Company expects the fair value measurement process to be completed in the second quarter of 2014.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed as of the date of acquisition.

	At March 3, 2014
Current assets	\$ 73,421
Property, plant and equipment	69,438
Intangible assets	59,110
Goodwill	4,885
Total fair value of assets acquired	<u>\$ 206,854</u>
Current liabilities	50,953
Deferred income taxes	17,245
Intercompany note payable	37,448
Long-term debt	8,941
Non-controlling interests	9,232
Total fair value of liabilities assumed	<u>123,819</u>
Net assets acquired	<u>\$ 83,035</u>

The Company's Condensed Consolidated Statements of Earnings for the thirteen weeks ended March 29, 2014 included net sales and net earnings of \$17,304 and \$1,178, respectively, resulting from Valmont SM's operations from March 3, 2014 to March 29, 2014. No pro forma information for 2014 has been provided as it does not have a material effect on the financial statements.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(2) ACQUISITIONS (Continued)

Based on the preliminary fair value assessments, the Company allocated \$59,110 of the purchase price to acquired intangible assets. The following table summarizes the major classes of Valmont SM's acquired intangible assets and the respective weighted average amortization periods:

	Amount	Weighted Average Amortization Period (Years)
Trade Names	\$ 12,986	Indefinite
Customer Relationships	46,124	15.0
Total Intangible Assets	\$ 59,110	

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 operations are reported in the Engineered Infrastructure Products Segment. The purchase price paid for the business at closing (net of \$116 cash acquired) was \$53,152. In addition, a maximum of \$7,911 additional purchase price may be paid to the sellers upon the achievement of certain gross profit and inventory targets over the next two years. The Company determined the present value of the potential additional purchase price at February 5, 2013 to be \$7,178. 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.

In December 2013, the Company purchased 100% of the outstanding shares of Armorflex International Ltd. ("Armorflex") for \$10,000. Armorflex is a company holding proprietary intellectual property for products serving the highway safety market. In the preliminary measurement of fair values of assets acquired and liabilities assumed, we recorded goodwill of \$6,864 and an aggregate of \$3,792 for customer relationships, patented technology and other intangible assets. The fair value measurements are not yet complete, due to final working capital calculations and certain income tax measurements that have not been finalized. The Company expects these measurements to be completed in the second quarter of 2014. The goodwill is not deductible for tax purposes. Armorflex is included in the Engineered Infrastructure Products segment and was acquired to expand the Company's highway safety product offerings in the Asia Pacific region. This acquisition did not have a significant effect on the Company's fiscal 2013 financial results.

The Company's Consolidated Statement of Earnings for the thirteen weeks ended March 29, 2014 included net sales of \$34,581 and net earnings of \$1,686 resulting from the Valmont SM, Locker, and

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(2) ACQUISITIONS (Continued)

Armorflex acquisitions. The pro forma effect of these acquisitions on the first quarter of 2013 Statement of Earnings was as follows:

	Thirteen weeks Ended March 30, 2013	
Net sales	\$	867,855
Net earnings	\$	79,433
Earnings per share—diluted	\$	2.96

(3) GOODWILL AND INTANGIBLE ASSETS

Amortized Intangible Assets

The components of amortized intangible assets at March 29, 2014 and December 28, 2013 were as follows:

	March 29, 2014		
	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life
Customer Relationships	\$ 223,739	\$ 79,746	13 years
Proprietary Software & Database	3,949	2,942	6 years
Patents & Proprietary Technology	11,463	7,671	8 years
Non-compete Agreements	1,624	1,452	6 years
	<u>\$ 240,775</u>	<u>\$ 91,811</u>	

	December 28, 2013		
	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life
Customer Relationships	\$ 177,495	\$ 76,024	13 years
Proprietary Software & Database	3,896	2,896	6 years
Patents & Proprietary Technology	11,334	7,239	8 years
Non-compete Agreements	1,620	1,438	6 years
	<u>\$ 194,345</u>	<u>\$ 87,597</u>	

Amortization expense for intangible assets for the thirteen weeks ended March 29, 2014 and March 30, 2013, respectively was as follows:

<u>2014</u>	<u>2013</u>
\$ 4,103	\$ 4,238

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(3) GOODWILL AND INTANGIBLE ASSETS (Continued)

Estimated annual amortization expense related to finite-lived intangible assets is as follows:

	Estimated Amortization Expense
2014	\$ 18,211
2015	17,923
2016	17,350
2017	17,302
2018	15,616

The useful lives assigned to finite-lived intangible assets included 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.

Non-amortized intangible assets

Intangible assets with indefinite lives are not amortized. The carrying values of trade names at March 29, 2014 and December 28, 2013 were as follows:

	March 29, 2014	December 28, 2013	Year Acquired
Webforge	\$ 17,952	\$ 17,787	2010
Newmark	11,111	11,111	2004
Ingal EPS/Ingal Civil Products	9,475	9,387	2010
Donhad	7,148	7,082	2010
Industrial Galvanizers	4,156	4,117	2010
Valmont SM	12,986	—	2014
Other	14,677	14,685	
	<u>\$ 77,505</u>	<u>\$ 64,169</u>	

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.

The Company's trade names were tested for impairment in the third quarter of 2013 (exclusive of Valmont SM acquired in the first quarter of 2014). The values of the trade names were determined using the relief-from-royalty method. Based on this evaluation, the Company determined that its trade names were not impaired.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(3) GOODWILL AND INTANGIBLE ASSETS (Continued)

Goodwill

The carrying amount of goodwill by segment as of March 29, 2014 and December 28, 2013 was as follows:

	Engineered Infrastructure Products Segment	Utility Support Structures Segment	Coatings Segment	Irrigation Segment	Other	Total
Balance at December 28, 2013	\$ 175,442	\$ 75,404	\$ 77,062	\$ 2,420	\$ 19,304	\$ 349,632
Acquisitions	4,885	—	—	—	—	4,885
Foreign currency translation	1,310	—	(190)	27	180	1,327
Balance at March 29, 2014	<u>\$ 181,637</u>	<u>\$ 75,404</u>	<u>\$ 76,872</u>	<u>\$ 2,447</u>	<u>\$ 19,484</u>	<u>\$ 355,844</u>

The goodwill from acquisitions arose from the acquisition of Valmont SM in the first quarter of 2014. The Company's goodwill was tested for impairment during the third quarter of 2013. As a result of that testing, the Company determined that its goodwill was 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.

(4) 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) for the thirteen weeks ended March 29, 2014 and March 30, 2013 were as follows:

	2014	2013
Interest	\$ 736	\$ 794
Income taxes	13,345	28,896

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(5) 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
Thirteen weeks ended March 29, 2014:			
Net earnings attributable to Valmont Industries, Inc.	\$ 55,980	\$ —	\$ 55,980
Shares outstanding	26,715	235	26,950
Per share amount	\$ 2.10	\$ (0.02)	\$ 2.08
Thirteen weeks ended March 30, 2013:			
Net earnings attributable to Valmont Industries, Inc.	\$ 77,569	\$ —	\$ 77,569
Shares outstanding	26,583	276	26,859
Per share amount	\$ 2.92	\$ (0.03)	\$ 2.89

At March 29, 2014 there were 1,172 outstanding stock options with exercise prices exceeding the market price of common stock that were excluded from the computation of diluted earnings per share for the thirteen weeks ending March 29, 2014. At March 30, 2013, there were no outstanding stock options with exercise prices exceeding the market price of common stock.

(6) 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 employee headcounts and 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, wind energy, offshore oil and gas, 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, 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, electrolytic

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(6) BUSINESS SEGMENTS (Continued)

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.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(6) BUSINESS SEGMENTS (Continued)

Summary by Business

	<u>Thirteen Weeks Ended</u>	
	<u>March 29,</u> <u>2014</u>	<u>March 30,</u> <u>2013</u>
SALES:		
Engineered Infrastructure Products segment:		
Lighting, Traffic, and Roadway Products	\$ 138,977	\$ 147,170
Communication Products	29,886	28,622
Offshore Structures	17,304	—
Access Systems	42,295	47,878
Engineered Infrastructure Products segment	<u>228,462</u>	<u>223,670</u>
Utility Support Structures segment:		
Steel	191,437	211,011
Concrete	23,290	28,627
Utility Support Structures segment	<u>214,727</u>	<u>239,638</u>
Coatings segment	82,171	89,245
Irrigation segment	212,733	244,707
Other	58,602	77,869
Total	<u>796,695</u>	<u>875,129</u>
INTERSEGMENT SALES:		
Engineered Infrastructure Products segment	19,565	29,452
Utility Support Structures segment	495	411
Coatings segment	14,953	14,330
Irrigation segment	9	—
Other	9,933	11,306
Total	<u>44,955</u>	<u>55,499</u>
NET SALES:		
Engineered Infrastructure Products segment	208,897	194,218
Utility Support Structures segment	214,232	239,227
Coatings segment	67,218	74,915
Irrigation segment	212,724	244,707
Other	48,669	66,563
Total	<u>\$ 751,740</u>	<u>\$ 819,630</u>
OPERATING INCOME:		
Engineered Infrastructure Products segment	\$ 13,709	\$ 12,734
Utility Support Structures segment	32,757	46,155
Coatings segment	13,886	13,420
Irrigation segment	43,146	54,559
Other	8,550	10,787
Corporate	(13,200)	(19,465)
Total	<u>\$ 98,848</u>	<u>\$ 118,190</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

(7) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION

The Company has \$450,000 principal amount of senior unsecured notes outstanding at a coupon interest rate of 6.625% per annum. 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.

In 2014, the Company classified "Equity in earnings of nonconsolidated subsidiaries" as an adjustment to reconcile net earnings to operating cash flows, as part of "Net cash flows from operating activities" in the Condensed Consolidating Statement of Cash Flows. In the 2013 Condensed Consolidating Statement of Cash Flows, these amounts were classified within "Other, net", as part of "Net cash flows from investing activities". The Company revised its presentation for 2013 with respect to the supplemental information included in this footnote in order to achieve comparability in the Condensed Consolidating Statements of Cash Flows.

The revisions consisted of recording the amounts previously reported in "Other, net" in cash flows from investing activities that were related to earnings from subsidiaries to "Equity in earnings of nonconsolidated subsidiaries" in cash flows from operating activities. Accordingly, the eliminations to reconcile consolidated net earnings are contained in the "Net cash flows from operating activities".

The "Non-Guarantor" and "Total" columns were not affected by any of these revisions. There was also no effect on the consolidated (total) net cash flows or any other statements in this footnote. The following is a reconciliation of the columns affected for 2013.

	<u>Parent</u>	<u>Parent</u>	<u>Guarantor</u>	<u>Guarantor</u>	<u>Eliminations</u>	<u>Eliminations</u>
	<u>As previously</u>	<u>As revised</u>	<u>As</u>	<u>As revised</u>	<u>As previously</u>	<u>As revised</u>
	<u>reported</u>	<u>As revised</u>	<u>previously</u>	<u>As revised</u>	<u>reported</u>	<u>As revised</u>
2013						
Cash flows from operating activities:						
Equity in earnings of nonconsolidated subsidiaries	\$ 3	\$ (37,423)	\$ —	\$ (19,151)	\$ —	\$ 56,577
Net cash flows from operating activities	99,749	62,323	13,036	(6,115)	(56,018)	559
Cash flows from investing activities:						
Other, net	(39,236)	(1,810)	(54,761)	(35,610)	56,018	(559)
Net cash flows from investing activities	(48,790)	(11,364)	(61,845)	(42,694)	56,018	(559)

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

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

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

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
For the Thirteen weeks ended March 29, 2014

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	\$ 376,642	\$ 135,897	\$ 300,281	\$ (61,080)	\$ 751,740
Cost of sales	271,759	99,816	234,634	(61,451)	544,758
Gross profit	104,883	36,081	65,647	371	206,982
Selling, general and administrative expenses	47,790	12,991	47,353	—	108,134
Operating income	57,093	23,090	18,294	371	98,848
Other income (expense):					
Interest expense	(7,675)	(10,880)	(522)	10,880	(8,197)
Interest income	20	183	12,416	(10,880)	1,739
Other	67	(492)	(5,387)	—	(5,812)
	(7,588)	(11,189)	6,507	—	(12,270)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	49,505	11,901	24,801	371	86,578
Income tax expense (benefit):					
Current	19,878	5,587	7,369	104	32,938
Deferred	(1,843)	(412)	(668)	—	(2,923)
	18,035	5,175	6,701	104	30,015
Earnings before equity in earnings of nonconsolidated subsidiaries	31,470	6,726	18,100	267	56,563
Equity in earnings of nonconsolidated subsidiaries	24,510	8,939	—	(33,449)	—
Net earnings	55,980	15,665	18,100	(33,182)	56,563
Less: Earnings attributable to noncontrolling interests	—	—	(583)	—	(583)
Net earnings attributable to Valmont Industries, Inc	\$ 55,980	\$ 15,665	\$ 17,517	\$ (33,182)	\$ 55,980

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

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

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
For the Thirteen weeks ended March 30, 2013

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	\$ 416,613	\$ 170,849	\$ 325,409	\$ (93,241)	\$ 819,630
Cost of sales	300,680	128,998	248,383	(93,800)	584,261
Gross profit	115,933	41,851	77,026	559	235,369
Selling, general and administrative expenses	50,026	13,994	53,159	—	117,179
Operating income	65,907	27,857	23,867	559	118,190
Other income (expense):					
Interest expense	(7,755)	(12,630)	(434)	12,629	(8,190)
Interest income	7	253	13,722	(12,629)	1,353
Other	1,408	15	133	—	1,556
	(6,340)	(12,362)	13,421	—	(5,281)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	59,567	15,495	37,288	559	112,909
Income tax expense (benefit):					
Current	21,175	6,836	10,470	179	38,660
Deferred	(1,754)	303	(2,236)	—	(3,687)
	19,421	7,139	8,234	179	34,973
Earnings before equity in earnings of nonconsolidated subsidiaries	40,146	8,356	29,054	380	77,936
Equity in earnings of nonconsolidated subsidiaries	37,423	19,151	207	(56,577)	204
Net earnings	77,569	27,507	29,261	(56,197)	78,140
Less: Earnings attributable to noncontrolling interests	—	—	(571)	—	(571)
Net earnings attributable to Valmont Industries, Inc	\$ 77,569	\$ 27,507	\$ 28,690	\$ (56,197)	\$ 77,569

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Thirteen weeks ended March 29, 2014

	Parent	Guarantors	Non- Guarantors	Eliminations	Total
Net earnings	\$ 55,980	\$ 15,665	\$ 18,100	\$ (33,182)	\$ 56,563
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized gains (losses) arising during the period	—	(20,361)	31,998	—	11,637
	—	(20,361)	31,998	—	11,637
Unrealized loss on cash flow hedge:					
Amortization cost included in interest expense	100	—	—	—	100
	100	—	—	—	100
Actuarial gain (loss) in defined benefit pension plan liability	—	—	(233)	—	(233)
Equity in other comprehensive income	12,075	—	—	(12,075)	—
Other comprehensive income (loss)	12,175	(20,361)	31,765	(12,075)	11,504
Comprehensive income	68,155	(4,696)	49,865	(45,257)	68,067
Comprehensive income attributable to noncontrolling interests	—	—	88	—	88
Comprehensive income attributable to Valmont Industries, Inc.	<u>\$ 68,155</u>	<u>\$ (4,696)</u>	<u>\$ 49,953</u>	<u>\$ (45,257)</u>	<u>\$ 68,155</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Thirteen weeks ended March 30, 2013

	Parent	Guarantors	Non- Guarantors	Eliminations	Total
Net earnings	\$ 77,569	\$ 27,507	\$ 29,261	\$ (56,197)	\$ 78,140
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized gains (losses) arising during the period	—	(38,321)	28,701	—	(9,620)
Realized (loss) included in net earnings during the period	—	—	(5,194)	—	(5,194)
	—	(38,321)	23,507	—	(14,814)
Unrealized loss on cash flow hedge:					
Amortization cost included in interest expense	100	—	—	—	100
	100	—	—	—	100
Actuarial gain (loss) in defined benefit pension plan liability	—	—	(936)	—	(936)
Equity in other comprehensive income	(13,539)	—	—	13,539	—
Other comprehensive income (loss)	(13,439)	(38,321)	22,571	13,539	(15,650)
Comprehensive income	64,130	(10,814)	51,832	(42,658)	62,490
Comprehensive income attributable to noncontrolling interests	—	—	1,640	—	1,640
Comprehensive income attributable to Valmont Industries, Inc.	\$ 64,130	\$ (10,814)	\$ 53,472	\$ (42,658)	\$ 64,130

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)
(Unaudited)
(7) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED BALANCE SHEETS
March 29, 2014

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 81,941	\$ 29,825	\$ 376,429	\$ —	\$ 488,195
Receivables, net	153,129	84,621	291,943	—	529,693
Inventories	153,676	67,478	203,671	—	424,825
Prepaid expenses	4,449	843	52,621	—	57,913
Refundable and deferred income taxes	34,436	8,558	14,941	—	57,935
Total current assets	427,631	191,325	939,605	—	1,558,561
Property, plant and equipment, at cost	533,430	127,203	511,281	—	1,171,914
Less accumulated depreciation and amortization	305,571	63,265	190,875	—	559,711
Net property, plant and equipment	227,859	63,938	320,406	—	612,203
Goodwill	20,108	107,542	228,194	—	355,844
Other intangible assets	333	47,257	178,879	—	226,469
Investment in subsidiaries and intercompany accounts	1,579,856	1,419,723	494,656	(3,494,235)	—
Other assets	38,829	—	93,960	—	132,789
Total assets	<u>\$ 2,294,616</u>	<u>\$ 1,829,785</u>	<u>\$ 2,255,700</u>	<u>\$ (3,494,235)</u>	<u>\$ 2,885,866</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current installments of long-term debt	\$ 188	\$ —	\$ —	\$ —	\$ 188
Notes payable to banks	—	—	14,860	—	14,860
Accounts payable	71,447	19,188	143,583	—	234,218
Accrued employee compensation and benefits	42,853	5,157	38,317	—	86,327
Accrued expenses	37,997	5,928	47,185	—	91,110
Income taxes payable	9,561	(9)	415	—	9,967
Dividends payable	6,721	—	—	—	6,721
Total current liabilities	168,767	30,264	244,360	—	443,391
Deferred income taxes	18,763	29,074	56,805	—	104,642
Long-term debt, excluding current installments	469,796	535,270	9,345	(535,270)	479,141
Defined benefit pension liability	—	—	139,047	—	139,047
Deferred compensation	39,420	—	7,082	—	46,502
Other noncurrent liabilities	9,681	—	43,659	—	53,340
Shareholders' equity:					
Common stock of \$1 par value	27,900	457,950	254,982	(712,932)	27,900
Additional paid-in capital	—	150,286	1,034,236	(1,184,522)	—
Retained earnings	1,615,696	580,858	535,220	(1,116,078)	1,615,696
Accumulated other comprehensive income (loss)	(35,510)	46,083	(100,650)	54,567	(35,510)
Treasury stock	(19,897)	—	—	—	(19,897)
Total Valmont Industries, Inc. shareholders' equity	1,588,189	1,235,177	1,723,788	(2,958,965)	1,588,189
Noncontrolling interest in consolidated subsidiaries	—	—	31,614	—	31,614
Total shareholders' equity	1,588,189	1,235,177	1,755,402	(2,958,965)	1,619,803
Total liabilities and shareholders' equity	<u>\$ 2,294,616</u>	<u>\$ 1,829,785</u>	<u>\$ 2,255,700</u>	<u>\$ (3,494,235)</u>	<u>\$ 2,885,866</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)
(Unaudited)
(7) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED BALANCE SHEETS
December 28, 2013

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 215,576	\$ 49,053	\$ 349,077	\$ —	\$ 613,706
Receivables, net	139,179	108,646	267,615	—	515,440
Inventories	132,953	70,231	176,816	—	380,000
Prepaid expenses	4,735	932	17,330	—	22,997
Refundable and deferred income taxes	41,167	8,351	16,179	—	65,697
Total current assets	533,610	237,213	827,017	—	1,597,840
Property, plant and equipment, at cost	522,734	125,764	368,628	—	1,017,126
Less accumulated depreciation and amortization	300,066	61,520	121,330	—	482,916
Net property, plant and equipment	222,668	64,244	247,298	—	534,210
Goodwill	20,108	107,542	221,982	—	349,632
Other intangible assets	346	48,461	122,110	—	170,917
Investment in subsidiaries and intercompany accounts	1,417,425	1,367,308	518,059	(3,302,792)	—
Other assets	30,759	—	93,136	—	123,895
Total assets	<u>\$ 2,224,916</u>	<u>\$ 1,824,768</u>	<u>\$ 2,029,602</u>	<u>\$ (3,302,792)</u>	<u>\$ 2,776,494</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current installments of long-term debt	\$ 188	\$ —	\$ 14	\$ —	\$ 202
Notes payable to banks	—	—	19,024	—	19,024
Accounts payable	62,153	20,365	133,603	—	216,121
Accrued employee compensation and benefits	76,370	13,713	32,884	—	122,967
Accrued expenses	28,362	7,315	35,883	—	71,560
Income Taxes Payable	—	—	—	—	—
Dividends payable	6,706	—	—	—	6,706
Total current liabilities	173,779	41,393	221,408	—	436,580
Deferred income taxes	18,983	29,279	30,662	—	78,924
Long-term debt, excluding current installments	470,175	514,223	732	(514,223)	470,907
Defined benefit pension liability	—	—	154,397	—	154,397
Deferred compensation	32,339	—	6,770	—	39,109
Other noncurrent liabilities	7,615	—	44,116	—	51,731
Shareholders' equity:					
Common stock of \$1 par value	27,900	457,950	254,982	(712,932)	27,900
Additional paid-in capital	—	150,286	891,236	(1,041,522)	—
Retained earnings	1,562,670	565,193	517,703	(1,082,896)	1,562,670
Accumulated other comprehensive income	(47,685)	66,444	(115,225)	48,781	(47,685)
Treasury stock	(20,860)	—	—	—	(20,860)
Total Valmont Industries, Inc. shareholders' equity	1,522,025	1,239,873	1,548,696	(2,788,569)	1,522,025
Noncontrolling interest in consolidated subsidiaries	—	—	22,821	—	22,821
Total shareholders' equity	1,522,025	1,239,873	1,571,517	(2,788,569)	1,544,846
Total liabilities and shareholders' equity	<u>\$ 2,224,916</u>	<u>\$ 1,824,768</u>	<u>\$ 2,029,602</u>	<u>\$ (3,302,792)</u>	<u>\$ 2,776,494</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)
(Unaudited)
(7) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Thirteen Weeks Ended March 29, 2014

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Cash flows from operating activities:					
Net earnings	\$ 55,980	\$ 15,665	\$ 18,100	\$ (33,182)	\$ 56,563
Adjustments to reconcile net earnings to net cash flows from operations:					
Depreciation and amortization	6,041	3,278	10,282	—	19,601
Loss on investment	—	—	3,386	—	3,386
Stock-based compensation	1,880	—	—	—	1,880
Defined benefit pension plan expense	—	—	662	—	662
Contribution to defined benefit pension plan	—	—	(17,484)	—	(17,484)
Gain on sale of property, plant and equipment	(9)	(77)	(41)	—	(127)
Equity in earnings in nonconsolidated subsidiaries	(24,510)	(8,939)	—	33,449	—
Deferred income taxes	(1,843)	(412)	(668)	—	(2,923)
Changes in assets and liabilities (net of acquisitions):					
Receivables	(13,949)	24,027	21,590	—	31,668
Inventories	(20,723)	2,753	(19,941)	—	(37,911)
Prepaid expenses	286	89	(9,523)	—	(9,148)
Accounts payable	9,294	(1,175)	(20,590)	—	(12,471)
Accrued expenses	(22,614)	(9,943)	2,668	—	(29,889)
Other noncurrent liabilities	2,104	—	(553)	—	1,551
Income taxes payable (refundable)	16,640	586	(667)	—	16,559
Net cash flows from operating activities	<u>8,577</u>	<u>25,852</u>	<u>(12,779)</u>	<u>267</u>	<u>21,917</u>
Cash flows from investing activities:					
Purchase of property, plant and equipment	(11,282)	(1,767)	(10,477)	—	(23,526)
Proceeds from sale of assets	19	77	1,295	—	1,391
Acquisitions, net of cash acquired	—	—	(120,483)	—	(120,483)
Other, net	17,175	3,630	(21,528)	(267)	(990)
Net cash flows from investing activities	<u>5,912</u>	<u>1,940</u>	<u>(151,193)</u>	<u>(267)</u>	<u>(143,608)</u>
Cash flows from financing activities:					
Net borrowings under short-term agreements	—	—	(4,056)	—	(4,056)
Principal payments on long-term borrowings	—	—	(63)	—	(63)
Dividends paid	(6,706)	—	—	—	(6,706)
Dividends to noncontrolling interest	—	—	(351)	—	(351)
Intercompany interest on long-term note	—	(48,174)	48,174	—	—
Intercompany capital contribution	(143,000)	—	143,000	—	—
Proceeds from exercises under stock plans	7,860	—	—	—	7,860
Excess tax benefits from stock option exercises	2,296	—	—	—	2,296
Purchase of common treasury shares—stock plan exercises:	(8,574)	—	—	—	(8,574)
Net cash flows from financing activities	<u>(148,124)</u>	<u>(48,174)</u>	<u>186,704</u>	<u>—</u>	<u>(9,594)</u>
Effect of exchange rate changes on cash and cash equivalents					
	—	1,154	4,620	—	5,774
Net change in cash and cash equivalents	(133,635)	(19,228)	27,352	—	(125,511)
Cash and cash equivalents—beginning of year	215,576	49,053	349,077	—	613,706
Cash and cash equivalents—end of period	<u>\$ 81,941</u>	<u>\$ 29,825</u>	<u>\$ 376,429</u>	<u>\$ —</u>	<u>\$ 488,195</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)
(Unaudited)
(7) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Thirteen Weeks Ended March 30, 2013**

	<u>Parent</u>	<u>Guarantors</u>	<u>Non-Guarantors</u>	<u>Eliminations</u>	<u>Total</u>
Cash flows from operations:					
Net earnings	\$ 77,569	\$ 27,507	\$ 29,261	\$ (56,197)	\$ 78,140
Adjustments to reconcile net earnings to net cash flows from operations:					
Depreciation and amortization	4,787	3,318	11,103	—	19,208
Stock-based compensation	1,675	—	—	—	1,675
Defined benefit pension plan expense	—	—	1,633	—	1,633
Contribution to defined benefit pension plan	—	—	(10,346)	—	(10,346)
Gain on sale of property, plant and equipment	19	4	(89)	—	(66)
Equity in earnings of nonconsolidated subsidiaries	(37,423)	(19,151)	(207)	56,577	(204)
Deferred income taxes	(1,754)	303	(2,236)	—	(3,687)
Changes in assets and liabilities:					
Receivables	7,323	701	10,982	—	19,006
Inventories	(2,938)	(8,666)	(18,786)	—	(30,390)
Prepaid expenses	1,249	194	(4,229)	—	(2,786)
Accounts payable	(1,634)	(5,014)	1,345	—	(5,303)
Accrued expenses	(6,374)	(5,328)	(6,106)	—	(17,808)
Other noncurrent liabilities	2,592	—	(1,462)	—	1,130
Income taxes payable (refundable)	17,232	17	(3,018)	179	14,410
Net cash flows from operations	<u>62,323</u>	<u>(6,115)</u>	<u>7,845</u>	<u>559</u>	<u>64,612</u>
Cash flows from investing activities:					
Purchase of property, plant and equipment	(9,589)	(7,084)	(5,172)	—	(21,845)
Proceeds from sale of assets	35	—	29,380	—	29,415
Acquisitions, net of cash acquired	—	—	(54,714)	—	(54,714)
Other, net	(1,810)	(35,610)	40,768	(559)	2,789
Net cash flows from investing activities	<u>(11,364)</u>	<u>(42,694)</u>	<u>10,262</u>	<u>(559)</u>	<u>(44,355)</u>
Cash flows from financing activities:					
Net borrowings under short-term agreements	—	—	(573)	—	(573)
Principal payments on long-term borrowings	—	—	(16)	—	(16)
Dividends paid	(6,001)	—	—	—	(6,001)
Dividend to noncontrolling interests	—	—	(1,476)	—	(1,476)
Proceeds from exercises under stock plans	11,697	—	—	—	11,697
Excess tax benefits from stock option exercises	226	—	—	—	226
Purchase of common treasury shares—stock plan exercises	(12,375)	—	—	—	(12,375)
Net cash flows from financing activities	<u>(6,453)</u>	<u>—</u>	<u>(2,065)</u>	<u>—</u>	<u>(8,518)</u>
Effect of exchange rate changes on cash and cash equivalents	—	107	(5,979)	—	(5,872)
Net change in cash and cash equivalents	44,506	(48,702)	10,063	—	5,867
Cash and cash equivalents—beginning of year	40,926	83,203	290,000	—	414,129
Cash and cash equivalents—end of period	<u>\$ 85,432</u>	<u>\$ 34,501</u>	<u>\$ 300,063</u>	<u>\$ —</u>	<u>\$ 419,996</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis contains 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.

This discussion should be read in conjunction with the financial statements and notes thereto, and the management's discussion and analysis included in the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2013. Segment sales in the table below are presented net of intersegment sales.

Results of Operations

Dollars in millions, except per share amounts

	Thirteen Weeks Ended		
	March 29, 2014	March 30, 2013	% Incr. (Decr.)
Consolidated			
Net sales	\$ 751.7	\$ 819.6	(8.3)%
Gross profit	207.0	235.4	(12.1)%
<i>as a percent of sales</i>	27.5%	28.7%	
SG&A expense	108.1	117.2	(7.8)%
<i>as a percent of sales</i>	14.4%	14.3%	
Operating income	98.9	118.2	(16.3)%
<i>as a percent of sales</i>	13.2%	14.4%	
Net interest expense	6.5	6.8	(4.4)%
Effective tax rate	34.7%	31.0%	
Net earnings	\$ 56.0	\$ 77.6	(27.8)%
Diluted earnings per share	\$ 2.08	\$ 2.89	(28.0)%
Engineered Infrastructure Products			
Net sales	\$ 208.9	\$ 194.2	7.6%
Gross profit	54.5	53.6	1.9%
SG&A expense	40.8	40.9	—%
Operating income	13.7	12.7	7.9%
Utility Support Structures			
Net sales	\$ 214.2	\$ 239.2	(10.5)%
Gross profit	52.1	65.9	(20.9)%
SG&A expense	19.3	19.7	(2.0)%
Operating income	32.8	46.2	(29.0)%
Coatings			
Net sales	\$ 67.2	\$ 74.9	(10.3)%
Gross profit	23.3	23.1	0.9%
SG&A expense	9.4	9.7	(3.1)%
Operating income	13.9	13.4	3.7%
Irrigation			
Net sales	\$ 212.7	\$ 244.7	(13.1)%
Gross profit	64.7	76.5	(15.4)%
SG&A expense	21.6	21.9	(1.4)%
Operating income	43.1	54.6	(21.1)%
Other			
Net sales	\$ 48.7	\$ 66.6	(26.9)%
Gross profit	12.3	16.1	(23.6)%
SG&A expense	3.7	5.3	(30.2)%
Operating income	8.6	10.8	(20.4)%
Net corporate expense			
Gross profit	\$ 0.1	\$ 0.2	NM
SG&A expense	13.3	19.7	(32.1)%
Operating loss	(13.2)	(19.5)	32.3%

NM=Not meaningful

Overview

On a consolidated basis, the decrease in net sales in the first quarter of fiscal 2014, as compared with 2013, reflected lower sales in all reportable segments except for the Engineered Infrastructure Products (EIP) segment. Fiscal 2014 refers to the thirteen week period ended March 29, 2014 and fiscal 2013 refers to the thirteen week period ended March 30, 2013. The changes in net sales in fiscal 2014, as compared with fiscal 2013, were as follows:

	First quarter					
	Total	EIP	Utility	Coatings	Irrigation	Other
Sales—2013	\$ 819.6	\$ 194.2	\$ 239.2	\$ 74.9	\$ 244.7	\$ 66.6
Volume	(56.2)	(1.7)	(18.1)	(2.0)	(29.4)	(5.0)
Pricing/mix	(5.6)	0.5	(5.4)	(1.3)	1.5	(0.9)
Acquisitions/Divestiture	16.0	23.0	—	—	—	(7.0)
Currency translation	(22.1)	(7.1)	(1.5)	(4.4)	(4.1)	(5.0)
Sales—2014	<u>\$ 751.7</u>	<u>\$ 208.9</u>	<u>\$ 214.2</u>	<u>\$ 67.2</u>	<u>\$ 212.7</u>	<u>\$ 48.7</u>

Volume effects are estimated based on a physical production or sales measure, products we sell are not uniform in nature, pricing and mix relate to a combination of changes in sales prices and the attributes of the product sold. Accordingly, pricing and mix changes do not necessarily directly result in operating income changes.

Acquisitions included Locker Group Holdings ("Locker"), Armorflex International Ltd. ("Armorflex"), and DS SM A/S ("DS SM"). We acquired Locker in February 2013, Armorflex in December 2013, and DS SM in March 2014. All of these acquisitions are reported in the Engineered Infrastructure Products segment. In the "Other" category, the decrease of \$7.0 million reflects the deconsolidation of Delta EMD Pty. Ltd. ("EMD") in December 2013, following the reduction of our ownership in the operation to below 50%.

In the first quarter of fiscal 2014, we realized a decrease in operating profit, as compared with fiscal 2013, due to currency translation effects. On average, the U.S. dollar strengthened in particular against the Australian dollar, Brazilian Real and South Africa Rand, resulting in less operating profit in U.S. dollar terms. The breakdown of this effect by segment was as follows:

	Total	EIP	Utility	Coatings	Irrigation	Other	Corporate
Year-to-date	<u>\$ (2.1)</u>	<u>\$ (0.5)</u>	<u>\$ (0.4)</u>	<u>\$ (0.2)</u>	<u>\$ (0.8)</u>	<u>\$ (0.6)</u>	<u>\$ 0.4</u>

The decrease in gross margin (gross profit as a percent of sales) in fiscal 2014, as compared with 2013, was due to a combination of lower sales prices and an unfavorable sales mix, and slightly higher raw material costs in 2014, as compared with 2013.

Selling, general and administrative (SG&A) spending in the first quarter of fiscal 2014, as compared with the same period in 2013, decreased mainly due to the following factors:

- Decreased employee incentive accruals of \$5.6 million due to lower operating results;
- Currency translation effects of \$2.7 million, due to the strengthening of the U.S. dollar primarily against the Australian dollar, Brazilian Real, and South Africa Rand;
- Lower deferred compensation expense of \$1.2 million associated with deferred compensation plan liabilities. The corresponding change in deferred compensation plan assets was recorded in "Other" expense; and
- EMD was deconsolidated in December 2013, which resulted in reduced expenses of \$1.2 million.

The decrease in operating income on a reportable segment basis in 2014, as compared to 2013, was due to reduced operating performance in the Utility and Irrigation segments. The EIP and Coatings segments showed slightly improved operating performance in 2014 compared to 2013. The "Other" category reported reduced operating performance in 2014 compare to 2013, mainly due to lower grinding media sales.

Net interest expense decreased slightly in the first quarter of fiscal 2014, as compared with 2013, due to higher interest income of \$0.4 million due to more cash on hand and available for investment. Interest expense was consistent in the first quarter of 2014 and 2013.

The increase in other expense in the first quarter of 2014, as compared with 2013, was mainly attributable to recording the change in fair value of the Company's investment in EMD of \$3.4 million. The remaining increase is related to foreign exchange transaction losses due to currency volatility and a smaller increase in deferred compensation assets of \$1.2 million in the first quarter of 2014, as compared to the same period in 2013.

Our effective income tax rate in the first quarter of fiscal 2014 was higher than the same period in fiscal 2013, principally due to approximately \$3.2 million of non-cash tax benefits associated with the first quarter 2013 sale of our nonconsolidated investment in South Africa and higher research and development tax credits in 2013. The 2014 effective tax rate was also negatively affected by the unrealized loss in our investment in EMD being capital in nature and not resulting in an income tax benefit. After consideration of these factors, the effective tax rate for 2013 and 2014 were comparable and between 33% and 34%.

Earnings in non-consolidated subsidiaries were lower in fiscal 2014, as compared with 2013, with no activity in 2014. In 2013, the balance was minimal due to the sale of our 49% owned manganese materials operation in February 2013. There was no significant gain or loss on the sale.

Our cash flows provided by operations were approximately \$21.9 million in the first quarter of fiscal 2014, as compared with \$64.6 million provided by operations in 2013. The decrease in operating cash flow in the first quarter of fiscal 2014 was the result of decreased net earnings and higher net working capital, as compared with 2013.

Engineered Infrastructure Products (EIP) segment

The increase in net sales in the first quarter of fiscal 2014 as compared with 2013 was mainly due to the acquisition of DS SM in early March 2014. Global lighting sales in the first quarter of fiscal 2014 were slightly improved compared to the same period in fiscal 2013. In the first quarter of fiscal 2014, sales in North America and Europe were comparable with 2013. The transportation market for lighting and traffic structures in North America was lower in the first quarter of 2014, as compared to the same period in 2013, due to harsh weather conditions. The transportation market also continues to be challenging, due in part to the lack of long-term U.S. federal highway funding legislation. Sales in other market channels such as sales to lighting fixture manufacturers and commercial construction projects in the first quarter of fiscal 2014 improved somewhat as compared with the same period in 2013, reflecting slightly stronger economic conditions in the U.S. In the Asia Pacific region, sales improved in the first quarter of fiscal 2014 over 2013 due in part to the India plant that is now fully operational.

Communication product line sales were up slightly in the first quarter of fiscal 2014, as compared with the same period in fiscal 2013. On a regional basis, North American sales in the first quarter of fiscal 2014 declined slightly over the same period in fiscal 2013. The decrease in North America sales was mainly attributable to lower shipments of components, which we believe were due to harsh weather conditions that limited installation activity. In China, sales of wireless communication structures in the first quarter of fiscal 2014 was higher than the same period in fiscal 2013. Chinese wireless carriers are increasing investment in 4G upgrades, as the government began issuing licenses late in 2013.

Access systems product line sales decreased in the first quarter of 2014, as compared with 2013, primarily due to the negative impact of currency translation of \$5.0 million. Otherwise, access systems sales in the first quarter of fiscal 2014 were comparable with 2013, as the full 2014 effect of the Locker acquisition (approximately \$4.5 million) was largely offset by slowness in mining sector investment in Australia. Highway safety product sales improved in the first quarter of 2014 compared to 2013, due to the acquisition of Armorflex in December 2013 (approximately \$1.3 million) and modestly improved market conditions in Australia with more highway construction projects this year. This improvement is offset somewhat by negative currency translation effects.

Operating income for the segment in the first quarter of fiscal 2014 increased, as compared with the same period of fiscal 2013, due primarily to operating profit generated from DS SM of \$1.9 million, offset somewhat by unfavorable currency translation effects of \$0.5 million.

SG&A spending was flat when comparing the first quarter of 2014 to 2013. SG&A spending in the first quarter of 2014 included costs related to the Armorflex and DS SM acquisitions totaling \$1.5 million. These increased costs were offset by currency effects of \$1.2 million and approximately \$0.7 million in lower incentive expenses.

Utility Support Structures (Utility) segment

In the Utility segment, the sales decrease in the first quarter of fiscal 2014, as compared with 2013, was due a combination of lower sales volumes in North America and international markets and an unfavorable sales order mix in North America. In North America, sales volumes in tons were down slightly in 2014, as compared with 2013, in part due to shipment delays and lower sales backlogs at the beginning of the quarter, as compared with 2013. We believe industry supply and demand are now more aligned as compared with this time in 2013, as we and our competitors have increased production capacity to meet demand. We believe this has resulted in increased price competition for certain portions of the market where orders are awarded based on competitive bidding. International sales were lower in the first quarter of 2014, as compared with the same period of 2013, primarily due to lower sales in the Asia Pacific region. International utility sales are more dependent on bid projects than North America.

Operating income in the first quarter of 2014, as compared with 2013, decreased due to lower sales volumes, less favorable sales pricing and mix and reduced leverage of fixed costs. The decrease in SG&A expense in the first quarter of 2014, as compared with 2013, was mainly due to decreased employee incentives of \$1.6 million due to lower operating income, offset by higher employee compensation due to increased headcount to support increased business levels in the last half of 2013 and long-term growth.

Coatings segment

Coatings segment sales decreased in the first quarter of 2014, as compared with 2013, primarily due to currency translation effects related to the strengthening of the U.S. dollar against the Australian dollar of \$4.4 million and lower sales volumes in the Asia Pacific region. In North America, sales volumes for galvanizing services were comparable with 2013, despite unfavorable winter weather conditions that affected our customers. Asia Pacific volumes in 2014 were lower than 2013 due to weak demand in Australia, offset somewhat by improved sales volumes in Asia. Unit pricing in 2014 was lower than 2013 due to sales mix.

The increase in segment operating income in the first quarter of 2014, as compared with 2013, was mainly associated with North America. Despite lower sales volumes in Asia Pacific, operating income in 2014 was comparable with 2013, principally due to cost containment measures, including the reduction of capacity in Australia in the second quarter of 2013.

Irrigation segment

The decrease in Irrigation segment net sales in the first quarter of fiscal 2014, as compared with 2013, was mainly due to sales volume decreases in the North American market. The decrease in North America was offset to an extent by increased sales volumes in International markets. In North America, lower expected net farm income in 2014, as compared with 2013, and much lower sales backlogs at the beginning of the year resulted in lower sales of irrigation equipment in 2014, as compared with 2013. In international markets, sales improved in the first quarter of fiscal 2014, as compared with 2013, mainly due to increased activity in Brazil, Eastern Europe and Australia. On balance, sales in other international regions in the first quarter of fiscal 2014 were slightly higher or comparable to the same periods of a strong fiscal 2013.

Operating income for the segment declined in the first quarter of fiscal 2014 over 2013, due to the sales volume decrease and associated operating deleverage of fixed operating costs. The most significant reason for the slight decrease in SG&A expense in 2014, as compared with 2013, related to decreased employee incentives of \$0.5 million due to reduced operating profit.

Other

This unit includes the grinding media, industrial tubing, and industrial fasteners operations. The decrease in sales in the first quarter of fiscal 2014, as compared with 2013, was mainly due lower sales volumes due primarily to the deconsolidation of EMD in December 2013 (approximately \$7.0 million), lower sales volumes in the grinding media operations and exchange rate translation effects. Grinding media volumes were negatively affected by less favorable Australian mining industry demand. Tubing sales in 2014 were comparable with 2013. Operating income in the first quarter of fiscal 2014 was lower than the same period in 2013, due to lower grinding media profitability and currency translation effects.

Net corporate expense

Net corporate expense in the first quarter of fiscal 2014 decreased over the same period in fiscal 2013. These decreases were mainly due to:

- lower employee incentives of \$2.8 million associated with reduced net earnings;
- decreased deferred compensation plan expense of \$1.2 million, which was offset by the same amount in other income (expense);
- lower compensation and employee benefit costs (approximately \$1.8 million); and
- decreased expenses associated with the Delta Pension Plan (approximately \$1.0 million).

Liquidity and Capital Resources

Cash Flows

Working Capital and Operating Cash Flows—Net working capital was \$1,115.2 million at March 29, 2014, as compared with \$1,161.3 million at December 28, 2013. The decrease in net working capital in 2014 mainly resulted from decreased cash on hand due to the acquisition of DS SM. Cash flow provided by operations was \$21.9 million in the first quarter of fiscal 2014, as compared with \$64.6 million in the first quarter of fiscal 2013. The decrease in operating cash flow in 2014 was the result of lower net earnings and higher working capital in 2014, as compared with 2013.

Investing Cash Flows—Capital spending in the first quarter of fiscal 2014 was \$23.5 million, as compared with \$21.8 million for the same period in 2013. The most significant capital spending projects in 2014 included certain investments in machinery and equipment across all businesses. We expect our capital spending for the 2014 fiscal year to be approximately \$100 million. In 2013, investing cash flows

included proceeds from asset sales of \$29.4 million, received from the sale of our 49% owned non-consolidated subsidiary in South Africa. Investing cash flows also includes \$120.5 million paid for the DS SM acquisition in the first quarter of 2014 and \$54.7 million paid for the Locker acquisition in 2013.

Financing Cash Flows—Our total interest-bearing debt increased slightly to \$494.2 million at March 29, 2014 from \$490.1 million at December 28, 2013. Financing cash flows overall were lower in the first quarter of fiscal 2014, as compared with the same period in 2013. The main reason for the decrease related to additional short-term borrowings, offset to an extent by lower dividends to noncontrolling interest and increased tax benefits from stock option exercises.

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 March 29, 2014, our long-term debt to invested capital ratio was 21.6%, as compared with 22.3% at December 28, 2013. 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 2014.

Our debt financing at March 29, 2014 consisted primarily of long-term debt. We also maintain certain short-term bank lines of credit totaling \$114.5 million, \$100.5 million of which was unused at March 29, 2014. Our long-term debt principally consists of:

- \$450 million face value (\$461 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 100 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 March 29, 2014 and December 28, 2013, 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 March 29, 2014, we had the ability to borrow \$382.4 million under this facility, after consideration of standby letters of credit of \$17.6 million associated with certain insurance obligations and international sales commitments.

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 3.5X EBITDA of the prior four quarters; and
- EBITDA over the prior four quarters must be at least 2.5X our interest expense over the same period.

At March 29, 2014, we were in compliance with all covenants related to these debt agreements. The key covenant calculations at March 29, 2014 were as follows:

Interest-bearing debt	\$ 494,189
EBITDA—last four quarters	545,715
Leverage ratio	0.91
EBITDA—last four quarters	\$ 545,715
Interest expense—last four quarters	32,509
Interest earned ratio	16.79

The calculation of EBITDA—last four quarters (March 30, 2013 through March 29, 2014) is as follows:

Net cash flows from operations	\$ 353,747
Interest expense	32,509
Income tax expense	152,822
Deconsolidation of subsidiary	(12,011)
Impairment of property, plant and equipment	(12,161)
Loss on investment	(3,386)
Deferred income tax benefit	9,378
Noncontrolling interest	(1,984)
Equity in earnings of nonconsolidated subsidiaries	631
Stock-based compensation	(6,718)
Pension plan expense	(5,598)
Contribution to pension plan	24,757
Valmont SM EBITDA—April 1, 2013—March 3, 2014	25,656
Changes in assets and liabilities	(16,306)
Other	4,379
EBITDA	<u>\$ 545,715</u>
Net earnings attributable to Valmont Industries, Inc.	\$ 256,900
Interest expense	32,509
Income tax expense	152,822
Depreciation and amortization expense	77,828
Valmont SM EBITDA—April 1, 2013—March 3, 2014	25,656
EBITDA	<u>\$ 545,715</u>

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.

We have not made any provision for U.S. income taxes in our financial statements on approximately \$652.5 million of undistributed earnings of our foreign subsidiaries, as we intend to reinvest those earnings. Of our cash balances at March 29, 2014, approximately \$401.5 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 \$47.1 million in income taxes to repatriate that cash.

Financial Obligations and Financial Commitments

There have been no material changes to our financial obligations and financial commitments as described on page 38 in our Form 10-K for the fiscal year ended December 28, 2013.

Off Balance Sheet Arrangements

There have been no changes in our off balance sheet arrangements as described on page 38 in our Form 10-K for the fiscal year ended December 28, 2013.

Critical Accounting Policies

There have been no changes in our critical accounting policies as described on pages 39-43 in our Form 10-K for the fiscal year ended December 28, 2013 during the quarter ended March 29, 2014.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There were no material changes in the company's market risk during the quarter ended March 29, 2014. For additional information, refer to the section "Risk Management" in our Form 10-K for the fiscal year ended December 28, 2013.

Item 4. 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.

No changes in the Company's internal control over financial reporting occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION**Item 5. Other Information****Submission of Matters to a Vote of Security Holders**

Valmont's annual meeting of stockholders was held on April 29, 2014. The stockholders elected three directors to serve three-year terms, approved, on an advisory basis, a resolution approving Valmont's named executive officer compensation, and ratified the appointment of Deloitte & Touche LLP to audit the Company's financial statements for fiscal 2014. For the annual meeting there were 26,844,959 shares outstanding and eligible to vote of which 24,493,352 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:

	<u>For</u>	<u>Withheld</u>	<u>Broker Non-Votes</u>
Mogens C. Bay	21,266,409	1,356,839	1,870,104
Walter Scott, Jr.	21,521,307	1,101,941	1,870,104
Clark T. Randt, Jr.	22,009,693	613,555	1,870,104

Advisory vote on executive compensation:

For	22,097,976
Against	430,060
Abstain	95,212
Broker non-votes	1,870,104

Proposal to ratify the appointment of Deloitte & Touche LLP as independent auditors for fiscal 2014:

For	23,669,464
Against	789,276
Abstain	34,612

Amendments to Bylaws

On April 29, 2014, the Board of Directors of Valmont approved amendments to Article I, Sections 11 and 12 of Valmont's bylaws. The bylaw amendments require persons reporting stock ownership when proposing a stockholder resolution or recommending a director nominee to report all direct and indirect ownership and any derivative positions in Valmont stock. The amendments took effect upon adoption by the Board of Directors of the Company.

Item 6. Exhibits

(a) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	The Company's bylaws, as amended
31.1	Section 302 Certificate of Chief Executive Officer
31.2	Section 302 Certificate of Chief Financial Officer
32.1	Section 906 Certifications of Chief Executive Officer and Chief Financial Officer
101	The following financial information from Valmont's Quarterly Report on Form 10-Q for the quarter ended March 29, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Statements of Earnings, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, (v) the Condensed Consolidated Statements of Shareholders' Equity, (vi) Notes to Condensed Consolidated Financial Statements and (vii) document and entity information.

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/ MARK C. JAKSICH

Mark C. Jaksich
*Executive Vice President and
Chief Financial Officer (Principal Financial Officer)*

Dated this 29th day of April, 2014.

Index of Exhibits

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BYLAWS
OF
VALMONT INDUSTRIES, INC.
ARTICLE I

Section 1. Annual Meeting. The annual meeting of the stockholders shall be held on a date and at an hour determined by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, may be called at any time by the President of this Corporation, who shall call the same upon demand in writing being made upon such person by a majority of the directors of the Corporation.

Section 3. Place of Meetings. The Board of Directors may designate any place, either within or without the State of Delaware as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors.

Section 4. Notice of Meeting. Notice of a meeting of stockholders stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting by or at the direction of the President or the Secretary to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the stockholder at the stockholder's address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the notice of meeting. Any previously scheduled meeting of the stockholders may be postponed, and (unless the Certificate of Incorporation otherwise provides) any special meeting of the stockholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

Section 5. Record Date. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or stockholders entitled to receive payment of any dividend, or in order to make a determination of stockholders for any other purpose, the Board of Directors of the Corporation shall fix in advance a date as the record date for any such determination of stockholders, such date in any case to be not less than ten days nor more than sixty days prior to the date on which the particular action requiring such determination of stockholders is to be taken. If no record date is fixed for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders, or stockholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of stockholders. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 6. Voting Lists. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten days before each meeting of stockholders, a

complete list of the stockholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any stockholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any stockholder during the whole time of the meeting. The original stock transfer book shall be prima facie evidence as to who are the stockholders entitled to examine such list or transfer books or to vote at any meeting of stockholders.

Section 7. Quorum. A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, the Chairman or a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 8. Proxies; Voting. At all meetings of stockholders, a stockholder may vote by proxy. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 9. Voting of Shares. In each meeting of stockholders except as otherwise provided by statute or the Certificate of Incorporation, every holder of record of stock entitled to vote shall be entitled to one vote in person or by proxy for each share of such stock standing in such holder's name on the records of the Corporation. All matters shall, unless otherwise provided by the Certificate of Incorporation, these By-Laws, the rules or regulations of NASD or any stock exchange applicable to Valmont, as otherwise provided by law or pursuant to any regulation applicable to Valmont or its securities, be decided by the affirmative vote of the holders of a majority of the shares of stock of Valmont which are present in person or by proxy and entitled to vote thereon.

Section 10. Voting of Shares by Certain Holders. Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the Bylaws of such corporation may prescribe, or, in the absence of such provision, as the Board of Directors of such corporation may determine.

Shares held by an administrator, executor, guardian or conservator may be voted by such person, either in person or by proxy, without a transfer of such shares into such person's name. Shares standing in the name of a trustee may be voted by such person, either in person or by proxy, but no trustee shall be entitled to vote shares held without a transfer of such shares into such trustee's name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into such receiver's name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

A stockholder whose shares are pledged shall be entitled to vote such shares until such shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred. Shares of its own stock belonging to the Corporation or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time. Nothing herein shall be construed as limiting the right of Valmont to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 11. Notice of Stockholder Business. At an annual meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of Valmont who was a stockholder of record at the time of giving of notice provided for in Section 4, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 11. For business to be properly brought before an annual meeting by a stockholder, a stockholder must have given timely notice thereof in writing to the Secretary of Valmont and such business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of Valmont, not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event the date of the annual meeting is advanced by more than 30 days, or delayed by more than 60 days, from such anniversary date, notice by the stockholder to be timely must be so delivered or mailed and received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the date on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the By-Laws of Valmont, the language of the proposed amendment), and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on Valmont's books, of the stockholder proposing such business, and the name and address of the beneficial owner, if any, on whose behalf the proposal is made, (c) (i) the class or series and number of shares of Valmont which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner, (ii) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of Valmont or with a value derived in whole or in part from the value of any class or series of shares of Valmont, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of Valmont or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of Valmont, (iii) any proxy, contract arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of Valmont, (iv) any short interest in any security of Valmont (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (v) any rights to dividends on the shares of Valmont owned beneficially by such stockholder that are separated or separable from the underlying shares of Valmont, (vi) any proportionate interest in shares of Valmont or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which

such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (vii) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares of Valmont or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household (which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date), (d) any material interest of the stockholder and beneficial owner, if any, in such business, (e) a representation that the stockholder is a holder of record of stock of Valmont entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business and (f) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to (i) deliver a proxy statement and/or form of proxy to holders of at least the percentage of Valmont's outstanding capital stock required to approve or adopt the proposal and/or (ii) otherwise solicit proxies from stockholders in support of such proposal. Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 11. The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 11, and if the Chairman should so determine, shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 12. Notice of Director Nominees at an Annual Meeting. Only persons who are nominated with the procedures set forth in these Bylaws shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of Valmont may be made at an annual meeting of stockholders (a) by or at the direction of the Board of Directors or (b) by any stockholder of Valmont who was a stockholder of record at the time of giving of notice provided for in Section 4, who is entitled to vote at the annual meeting and who complies with the notice procedures set forth in this Section 12. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of Valmont. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of Valmont not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event the date of the annual meeting is advanced by more than 30 days, or delayed by more than 60 days, from such anniversary date, notice by the stockholder to be timely must be so delivered or mailed and received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the date on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to be named as a nominee and to serving as the director if elected), and (b) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, (i) the name and address, as they appear on Valmont's books, of such stockholder and the name and address of the beneficial owner, if any, (ii) (A) the class or series and number of shares of Valmont which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism

at a price related to any class or series of shares of Valmont or with a value derived in whole or in part from the value of any class or series of shares of Valmont, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of Valmont or otherwise (a “Derivative Instrument”) directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of Valmont, (C) any proxy, contract arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of Valmont, (D) any short interest in any security of Valmont (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of Valmont owned beneficially by such stockholder that are separated or separable from the underlying shares of Valmont, (F) any proportionate interest in shares of Valmont or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares of Valmont or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder’s immediate family sharing the same household (which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date), (iii) a representation that the stockholder is a holder of record of stock of Valmont entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination, and (iv) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to (a) deliver a proxy statement and/or form of proxy to holders of at least the percentage of Valmont’s outstanding capital stock required to elect the nominee and/or (b) otherwise solicit proxies from stockholders in support of such nomination. At the request of the Board of Directors any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of Valmont that information required to be set forth in a stockholder’s notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of Valmont unless nominated in accordance with the procedures set forth in the Bylaws. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the Bylaws, and if the Chairman should so determine, shall so declare to the meeting and the defective nomination shall be disregarded.

Section 13. Notice of Director Nominees at a Special Meeting. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to Valmont’s notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to Valmont’s notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of Valmont who is a stockholder of record at the time of giving of notice provided for in Section 4, who shall be entitled to vote at the special meeting and who complies with the notice procedures set forth in Section 12. In the event Valmont calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in Valmont’s notice of meeting, if the stockholder’s notice required by Section 12 shall be delivered to the Secretary at the principal executive offices of Valmont not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special

meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described above.

Section 14. Inspectors of Elections. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve Valmont in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the Chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

Section 15. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the Chairman of any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts, as in the judgment of such Chairman, are appropriate for the proper conduct of the meeting. Unless and to the extent determined by the Board of Directors or the Chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 16. Required Vote for Election of Directors. Each director shall be elected by the vote of the majority of the votes cast with respect to that director’s election at any meeting for the election of directors at which a quorum is present; provided, if the number of persons properly nominated to serve as directors exceeds the number of directors to be elected, then each director of the corporation shall be elected by the vote of a plurality of the shares present in person or by proxy at the meeting and entitled to vote on the election of directors. For purposes of this By-Law, a majority of votes cast shall mean that the number of shares voted “for” a director’s election exceeds 50% of the number of votes cast with respect to the director’s election; votes cast shall include votes to withhold authority and exclude abstentions with respect to the director’s election.

If a nominee for director is not elected and the nominee is an incumbent director, the director shall promptly tender his or her resignation to the Board of Directors, subject to acceptance by the Board of Directors. The Governance and Nominating Committee will make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board of Directors will act on the tendered resignation, taking into account the Governance and Nominating Committee’s recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of certification of the election results. The Governance and Nominating Committee in making its recommendation and the Board of Directors in making its decision may each consider any factors or other information that they consider appropriate and relevant. The director who

tenders his or her resignation will not participate in the recommendation of the Governance and Nominating Committee or the decision of the Board of Directors with respect to his or her resignation.

If a director's resignation is accepted by the Board of Directors pursuant to this By-Law, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors may fill the resulting vacancy pursuant to the provisions of Section 8 of Article II of these By-Laws or may decrease the size of the Board of Directors pursuant to the provisions of Section 2 of Article II of these By-Laws.

ARTICLE II

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of Valmont and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

Section 2. Number, Tenure and Qualifications. The number of directors of the Corporation shall be fixed by resolution of the Board of Directors, and may be altered from time to time by a majority vote of the members of the Board of Directors present at any regular or special meeting of the Board. The directors shall be divided into three classes: Class I, Class II and Class III, each such class, as nearly as possible, to have the same the number of directors. At each annual election of directors by the stockholders of Valmont, the directors chosen to succeed those whose terms are then expired shall be identified as being of the same class as the directors they succeed and shall be elected by the stockholders of Valmont for a term expiring at the third succeeding annual election of directors, or thereafter when their respective successors in each case are elected by the stockholders and qualify.

Section 3. Regular Meetings. A regular meeting of the Board of Directors shall be held on the same date as the annual meeting of stockholders. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Delaware, for the holding of additional regular meetings.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the board of directors. The person or persons authorized to call the special meetings of the Board of Directors may fix any place, either within or without the State of Delaware, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. Notice. Notice of any special meeting shall be given at least two days in advance thereof. Notices of meetings of the Board of Directors may be given by mail or may (and, if three or fewer days notice is given, shall) be given by telegram, telephone, personal delivery, telecopier or other means of electronic transmission. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram such notice shall be deemed to be delivered when transmitted. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the

meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. A majority of the number of directors fixed in accordance with Section 2 of this Article II shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. Except as otherwise required by applicable law, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent thereto is signed by all members of the board and such written consent is filed with the minutes of the proceedings of the Board. A consent in lieu of meeting may be made either by one consent signed by all the directors or by individual consents signed by each director. The directors may also meet by means of conference telephone or similar communications equipment as provided by Delaware law.

Section 8. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the affirmative vote of the majority of the remaining directors though less than a quorum of the Board of Directors. Directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the full Board of Directors shall shorten the term of any incumbent director.

Section 9. Compensation. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefore.

Section 10. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless a dissent shall be entered into the minutes of the meeting or unless such person shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 11. Committees. The Board of Directors may in its discretion, by resolution passed by a majority of the whole Board, designate from among its members one or more committees which shall consist of two or more directors. The Board may designate one or more directors as alternate members of any such committee who may replace any absent or disqualified member at any meeting of the committee. Except as otherwise required by applicable law, such committees shall have and may exercise such powers as shall be conferred or authorized by the resolution appointing them. A majority of any such committee may determine its action and fix the time and place of its meetings unless the Board of Directors shall otherwise provide. The Board shall have power at any time to change the membership of any such committee to fill vacancies in it or to dissolve it.

Section 12. Executive Committee. There may be an Executive Committee of the Board of Directors consisting of directors chosen by the Board.

The Executive Committee shall have power to take any and all action which the Board of Directors might itself have the legal power to take at any time between meetings of the Board of Directors; provided, however, that such Committee shall not have the power to take action on any of the following matters, the exclusive power to deal with which is resolved to the Board of Directors: filling of vacancies on the Board of Directors or Executive Committee; fixing of compensation of officers; approval of any borrowings by the Corporation which involve the issuance of securities having a maturity of longer than one year from the date of issue or which involve the creation of any mortgages, liens, pledges or other encumbrances on any substantial portion of the corporate assets; approval of any amendment to the Certificate of Incorporation or Bylaws; approval of or recommending to the stockholders any sale, lease or exchange of all or substantially all of the Corporation's property and assets; declaration of a dividend or authorization of an issuance of stock; or approval of a dissolution or liquidation of the Corporation.

ARTICLE III

OFFICERS

Section 1. Number. The officers of the corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term of Office. The officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until such person shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in an office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. The President shall, when present, preside at all meetings of the stockholders and of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the Corporation, any deeds, mortgages, bonds,

contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Acting President; Vice Presidents. In the absence of the President, or in the event of his death, inability or refusal to act, the Board of Directors shall select the acting President, who shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an Assistant Secretary, certificates for shares of the Corporation and shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 7. The Secretary. The Secretary shall: (a) keep the minutes of the stockholders' and of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; (d) keep a register of the post office address of each stockholder which shall be furnished to the Secretary by such stockholder; (e) sign with the President, or a Vice President, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the Corporation; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 8. The Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with provisions of Article V of these Bylaws; and (b) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries, when authorized by the Board of Directors, may sign with the President or a Vice President certificates for shares of the Corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 10. Salaries. The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that such person is also a director of the Corporation.

ARTICLE IV INDEMNIFICATION

Section 1. Actions by Others. Valmont shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of Valmont) by reason of the fact that such person is or was a director, officer, employee or agent of Valmont, or is or was serving at the request of Valmont as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of Valmont, and, with respect to any criminal action or proceedings, had no reasonable cause to believe the conduct was criminal. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of Valmont, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was criminal.

Section 2. Actions by or in the Right of Valmont. Valmont shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of Valmont to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of Valmont, or is or was serving at the request of Valmont as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of Valmont and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to Valmont unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Section 3. Successful Defense. To the extent that a director, officer, employee or agent of Valmont has been successful on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claims, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 4. Specific Authorization. Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by Valmont only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in said Sections 1 and 2. Such determination shall be made: (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or (b) if such quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or (c) by the stockholders.

Section 5. Advance of Expenses. Expenses incurred by an elected officer or director in defending a civil or criminal action, suit or proceeding shall be paid by Valmont in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or elected officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by Valmont as authorized in this Article. Such expenses incurred by other officers, employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

Section 6. Right of Indemnity not Exclusive. The indemnification and advancement of expenses provided by or granted pursuant to the Certificate of Incorporation or these Bylaws shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

Section 7. Insurance. Valmont may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of Valmont, or is or was serving at the request of Valmont as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status as such, whether or not Valmont would have the power to indemnify such person against such liability under the provisions of this Article, Section 145 of the General Corporation Law of the State of Delaware, or otherwise.

Section 8. Employee Benefit Plan. For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of Valmont" shall include any service as a director, officer, employee or agent of Valmont which imposes duties on, or involves services by such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person

reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of Valmont” as referred to in this Article.

Section 9. Invalidity of any Provisions of this Article. The invalidity or unenforceability of any provision of this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

Section 10. Continuation of Indemnification. The indemnification and advancement of expenses, to the extent provided by or granted pursuant to this Article, these Bylaws, or the Certificate of Incorporation shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person. All rights to indemnification provided by or granted pursuant to this Article, these Bylaws, or the Certificate of Incorporation shall be deemed to be a contract between Valmont and each director, officer, employee or agent of Valmont who serves or served in such capacity at any time while this Article IV is in effect. Any repeal or modification of this Article IV shall not in any way diminish any rights or indemnification of such director, officer, employee or agent, or the obligations of Valmont arising hereunder.

Section 11. Certain Claims. Notwithstanding Section 1 and Section 2 of this Article IV, Valmont shall be required to indemnify a person described in the first sentence of Section 1 or

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Section 2 of this Article IV in connection with an action, suit or proceeding (or part thereof) commenced by such a person only if the commencement of such proceeding (or part thereof) by such person was authorized by the Board of Directors.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI

SHARES AND THEIR TRANSFER

Section 1. Shares. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may adopt a resolution permitting shares to be uncertificated. Notwithstanding the adoption of any such resolution providing for uncertificated shares, every holder of capital stock of the Corporation theretofore represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate for shares of the Corporation. Such certificates shall be in such form as determined by the Board of Directors, and shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person owning shares, whether or not represented by certificates, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificated or uncertificated shares shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in the case of a lost, destroyed or mutilated certificate, new certificated or uncertificated shares may be issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

Section 2. Transfer of Shares. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and, if such shares are certificates, on surrender for cancellation of the certificate for such shares, and if such shares are uncertificated, upon proper instructions from the holder

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of the uncertificated shares. The person in whose name shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Corporation shall end on the last Saturday of December in each year.

ARTICLE VIII

DIVIDENDS

The Board of Directors may, from time to time, declare and the Corporation may pay dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Certificate of Incorporation.

ARTICLE IX

SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation and the state of incorporation and the words, "Corporate Seal."

ARTICLE X

WAIVER OF NOTICE

Whenever any notice is required to be given to any stockholders or directors of the Corporation under the provisions of these Bylaws or under the provisions of the Certificate of Incorporation or under the provisions of the General Corporation Law of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI

AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors.

CERTIFICATIONS

I, Mogens C. Bay, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 29, 2014 of Valmont Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MOGENS C. BAY

Mogens C. Bay
Chairman and Chief Executive Officer

Date: April 29, 2014

QuickLinks

[Exhibit 31.1](#)

[CERTIFICATIONS](#)

I, Mark C. Jaksich, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 29, 2014 of Valmont Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MARK C. JAKSICH

Mark C. Jaksich
Executive Vice President and Chief Financial Officer

Date: April 29, 2014

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[Exhibit 31.2](#)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted

pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, Mogens C. Bay, Chairman and Chief Executive Officer of Valmont Industries, Inc. (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 2014 (the "Report").

The undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to his knowledge that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 29th day of April, 2014.

/s/ MOGENS C. BAY

Mogens C. Bay
Chairman and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted

pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, Mark C. Jaksich, Executive Vice President and Chief Financial Officer of Valmont Industries, Inc. (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 2014 (the "Report").

The undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to his knowledge that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 29th day of April, 2014.

/s/ MARK C. JAKSICH

Mark C. Jaksich
Executive Vice President and Chief Financial Officer

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[Exhibit 32.1](#)

[CERTIFICATION OF CHIEF EXECUTIVE OFFICER](#)
[CERTIFICATION OF CHIEF FINANCIAL OFFICER](#)