

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark
One)

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

For the quarterly period ended March 28, 2009

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 **47-0351813**
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

One Valmont Plaza, **68154-5215**
Omaha, Nebraska (Zip Code)
(Address of principal executive offices)

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

(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 section 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 the 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 Smaller reporting company
(Do not check if a 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

26,242,577
Outstanding shares of common stock as of April 22, 2009

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

(Unaudited)

	Thirteen Weeks Ended	
	March 28, 2009	March 29, 2008
Net sales	\$ 455,154	\$ 422,286
Cost of sales	326,838	306,478
Gross profit	128,316	115,808
Selling, general and administrative expenses	69,997	65,342
Operating income	58,319	50,466
Other income (expenses):		
Interest expense	(4,284)	(4,474)
Interest income	332	621
Miscellaneous	(1,798)	(1,343)
	(5,750)	(5,196)
Earnings before income taxes and equity in earnings/(losses) of nonconsolidated subsidiaries	52,569	45,270
Income tax expense (benefit):		
Current	12,300	16,661
Deferred	4,955	(1,607)
	17,255	15,054
Earnings before equity in earnings/(losses) of nonconsolidated subsidiaries	35,314	30,216
Equity in earnings/(losses) of nonconsolidated subsidiaries	566	(74)
Net earnings	35,880	30,142
Less: Earnings attributable to noncontrolling interests	(16)	(443)
Net earnings attributable to Valmont Industries, Inc.	\$ 35,864	\$ 29,699
Earnings per share attributable to Valmont Industries, Inc.—Basic	\$ 1.38	\$ 1.16
Earnings per share attributable to Valmont Industries, Inc.—Diluted	\$ 1.37	\$ 1.13
Cash dividends per share	\$ 0.130	\$ 0.105
Weighted average number of shares of common stock outstanding—Basic (000 omitted)	25,902	25,692
Weighted average number of shares of common stock outstanding—Diluted (000 omitted)	26,225	26,224

See accompanying notes to condensed consolidated financial statements.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

(Unaudited)

	March 28, 2009	December 27, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 75,822	\$ 68,567
Receivables, net	320,229	327,620
Inventories	317,161	313,411
Prepaid expenses	14,799	13,821
Refundable and deferred income taxes	29,649	32,380
Total current assets	<u>757,660</u>	<u>755,799</u>
Property, plant and equipment, at cost	638,967	630,410
Less accumulated depreciation and amortization	365,416	361,090
Net property, plant and equipment	<u>273,551</u>	<u>269,320</u>
Goodwill	174,374	175,291
Other intangible assets, net	102,012	104,506
Other assets	23,097	21,372
Total assets	<u>1,330,694</u>	<u>\$1,326,288</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current installments of long-term debt	\$ 1,059	\$ 904
Notes payable to banks	13,843	19,552
Accounts payable	138,381	136,868
Accrued employee compensation and benefits	48,654	70,158
Accrued expenses	53,061	49,700
Dividends payable	3,412	3,402
Total current liabilities	<u>258,410</u>	<u>280,584</u>
Deferred income taxes	45,660	45,124
Long-term debt, excluding current installments	330,720	337,128
Other noncurrent liabilities	22,298	22,476
Shareholders' equity:		
Preferred stock	—	—
Common stock of \$1 par value	27,900	27,900
Retained earnings	659,319	624,254
Accumulated other comprehensive income	(3,105)	(533)
Treasury stock	(26,584)	(27,490)
Total Valmont Industries, Inc. shareholders' equity	<u>657,530</u>	<u>624,131</u>
Noncontrolling interest in consolidated subsidiaries	16,076	16,845
Total shareholders' equity	<u>673,606</u>	<u>640,976</u>
Total liabilities and shareholders' equity	<u>\$1,330,694</u>	<u>\$1,326,288</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 28, 2009	March 29, 2008
Cash flows from operations:		
Net earnings	\$ 35,880	\$ 30,142
Adjustments to reconcile net earnings to net cash flow from operations:		
Depreciation and amortization	10,835	9,521
Stock-based compensation	1,499	1,399
Loss/(gain) on sales of property, plant and equipment	121	(215)
Equity in losses of nonconsolidated subsidiaries	(566)	74
Deferred income taxes	4,955	(1,607)
Other	709	(118)
Changes in assets and liabilities, before acquisitions:		
Receivables	4,341	(12,630)
Inventories	(5,596)	(9,203)
Prepaid expenses	(1,167)	62
Accounts payable	(902)	(909)
Accrued expenses	(16,672)	(8,137)
Other noncurrent liabilities	1,515	(1,642)
Income taxes payable/refundable	2,526	9,171
Net cash flows from operations	<u>37,478</u>	<u>15,908</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(14,042)	(10,872)
Proceeds from sale of assets	22	2,043
Acquisitions, net of cash acquired	—	(89,376)
Dividends to noncontrolling interests	(195)	—
Other, net	(2,263)	(746)
Net cash flows from investing activities	<u>(16,478)</u>	<u>(98,951)</u>
Cash flows from financing activities:		
Net payments under short-term agreements	(5,709)	(504)
Proceeds from long-term borrowings	72	50,830
Principal payments on long-term obligations	(6,313)	(6,444)
Dividends paid	(3,402)	(2,724)
Proceeds from exercises under stock plans	1,394	1,580
Excess tax benefits from stock option exercises	855	1,029
Purchase of common treasury shares—stock plan exercises	(140)	(584)
Net cash flows from financing activities	<u>(13,243)</u>	<u>43,183</u>
Effect of exchange rate changes on cash and cash equivalents	(502)	356
Net change in cash and cash equivalents	7,255	(39,504)
Cash and cash equivalents—beginning of year	68,567	106,532
Cash and cash equivalents—end of period	<u>\$ 75,822</u>	<u>\$ 67,028</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 28, 2009, the Condensed Consolidated Statements of Operations for the thirteen week periods ended March 28, 2009 and March 29, 2008 and the Condensed Consolidated Statements of Cash Flows 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 28, 2009 and for all periods presented. Information related to noncontrolling interest in consolidated subsidiaries for 2008 has been reclassified to conform to the 2009 presentation, as required under SFAS 160, *Noncontrolling Interests in Consolidated Financial Statements*, which was adopted effective December 28, 2008, the beginning of the Company's 2009 fiscal year. The effect of SFAS 160 was to classify noncontrolling interests on the condensed consolidated balance sheets as equity and to reclassify the related earnings in the condensed consolidated statements of operations 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 27, 2008. 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 27, 2008. The results of operations for the period ended March 28, 2009 are not necessarily indicative of the operating results for the full year.

Inventories

At March 28, 2009, approximately 52.2% of inventory is valued at the lower of cost, determined on the last-in, first-out (LIFO) method, or market. 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 finished goods. The excess of replacement cost of inventories over the LIFO value was approximately \$47,800 and \$58,200 at March 28, 2009 and December 27, 2008, respectively.

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)

Inventories consisted of the following:

	March 28, 2009	December 27, 2008
Raw materials and purchased parts	\$197,221	\$ 207,011
Work-in-process	32,170	28,925
Finished goods and manufactured goods	135,560	135,671
Subtotal	364,951	371,607
LIFO reserve	47,790	58,196
Net inventory	<u>\$317,161</u>	<u>\$ 313,411</u>

Stock Plans

The Company maintains stock-based compensation plans approved by the shareholders, which provide that the Compensation Committee of the Board of Directors may grant incentive stock options, nonqualified stock options, stock appreciation rights, non-vested stock awards and bonuses of common stock. At March 28, 2009, 1,340,374 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 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. Expiration of grants is from six to ten years from the date of grant. The Company recorded \$1,020 and \$736 of compensation expense (included in selling, general and administrative expenses) in the quarters ended March 28, 2009 and March 29, 2008, respectively, related to stock options. The associated tax benefits recorded were \$393 and \$283, respectively.

Fair Value

The Company applies the provisions of SFAS No. 157, *Fair Value Measurements* ("SFAS 157") which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of SFAS 157 apply to other accounting pronouncements that require or permit fair value measurements. As defined in SFAS 157, 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.

SFAS 157 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 refers broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

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

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)

- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Trading Securities: The assets and liabilities recorded for the investments held in the Valmont Deferred Compensation Plan represent mutual funds, invested in debt and equity securities, classified as trading securities in accordance with Financial Accounting Standard No. 115, *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. Quoted market prices are available for these securities in an active market and therefore categorized as a Level 1 input.

	Carrying Value March 28, 2009	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	\$ 12,698	\$ 12,698	\$ —	\$ —

	Carrying Value December 27, 2008	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	\$ 10,488	\$ 10,488	\$ —	\$ —

2. Acquisitions

In the first quarter of 2008, the Company acquired substantially all of the assets of Penn Summit LLC (Penn Summit), a manufacturer of steel utility and wireless communication poles located in Hazelton, Pennsylvania and 70% of the outstanding shares of West Coast Engineering Group, Ltd. (West Coast), a Canadian and U.S. manufacturer of steel and aluminum structures for the lighting, transportation and wireless communication industries headquartered in Delta, British Columbia for an aggregate amount of \$89,376.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Dollars in thousands, except per share amounts)****(Unaudited)****2. Acquisitions (Continued)**

The Company also acquired the following businesses subsequent to the first quarter of 2008:

1. In July 2008, the Company acquired the assets of Site Pro 1, Inc. (Site Pro), a company that distributes wireless communication components for the U.S. market;
2. In November 2008, the Company acquired all of the outstanding shares of Stainton Metals Co., Ltd. (Stainton), an English manufacturer of steel structures for the lighting, transportation and wireless communication industries headquartered in Stockton-on-Tees, England

In addition, Company acquired the assets of a provider of materials analysis, testing and inspection services, formed a 51% owned joint venture in Turkey with a Turkish company to manufacture and sell pole structures and acquired the assets of a galvanizing operation located near Louisville, Kentucky in 2008.

The Company's pro forma results of operations for the thirteen weeks ended March 29, 2008, assuming that these acquisitions occurred at the beginning of fiscal 2008 were as follows:

	Thirteen Weeks Ended March 29, 2008
Net sales	\$ 440,233
Net income	30,309
Earnings per share—diluted	\$ 1.16

3. Goodwill and Intangible Assets

The Company's annual impairment testing of goodwill and intangible assets was performed during the third quarter of 2008. As a result of that testing, it was determined the goodwill and other intangible assets on the Company's Condensed Consolidated Balance Sheet were not impaired. The Company continues to monitor changes in the global economy that could impact future operating results of its reporting units and related components.

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)

Amortized Intangible Assets

The components of amortized intangible assets at March 28, 2009 and December 27, 2008 were as follows:

	As of March 28, 2009		Weighted Average Life
	Gross Carrying Amount	Accumulated Amortization	
Customer Relationships	\$ 96,852	\$ 21,393	14 years
Proprietary Software & Database	2,609	2,329	6 years
Patents & Proprietary Technology	3,427	1,010	13 years
Non-compete Agreements	1,682	622	7 years
	<u>\$104,570</u>	<u>\$ 25,354</u>	

	As of December 27, 2008		Weighted Average Life
	Gross Carrying Amount	Accumulated Amortization	
Customer Relationships	\$ 97,202	\$ 19,560	14 years
Proprietary Software & Database	2,609	2,295	6 years
Patents & Proprietary Technology	3,427	929	13 years
Non-compete Agreements	1,696	548	7 years
	<u>\$104,934</u>	<u>\$ 23,332</u>	

Amortization expense for intangible assets during the first quarter of 2009 and 2008 was \$2,045 and \$1,385, respectively. Estimated amortization expense related to amortized intangible assets is as follows:

	Estimated Amortization Expense
2009	\$ 8,133
2010	8,093
2011	7,952
2012	7,873
2013	6,975

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.

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)

Non-amortized intangible assets

Under the provisions of SFAS 142, intangible assets with indefinite lives are not amortized. The carrying values of trade names at March 28, 2009 and December 27, 2008 were as follows:

	March 28, 2009	December 27, 2008
PiRod	4,750	\$ 4,750
Newmark	11,111	11,111
Tehomet	1,260	1,316
West Coast	2,007	2,030
Site Pro	1,800	1,800
Stainton	1,225	1,254
Other	643	643
	<u>\$22,796</u>	<u>\$ 22,904</u>

The PiRod, Newmark and Tehomet trade names were tested for impairment separately from goodwill in the third quarter of 2008. 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.

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

Goodwill

The carrying amount of goodwill as of March 28, 2009 was as follows:

	Engineered Support Structures Segment	Utility Support Structures Segment	Coatings Segment	Irrigation Segment	Other	Total
Balance December 27, 2008	\$ 52,324	\$ 77,141	\$43,777	\$2,049	\$ —	\$175,291
Foreign currency translation	(932)	—	—	15	—	(917)
Balance March 28, 2009	<u>\$ 51,392</u>	<u>\$ 77,141</u>	<u>\$43,777</u>	<u>\$2,064</u>	<u>\$ —</u>	<u>\$174,374</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Cash Flows

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

	March 28, 2009	March 29, 2008
Interest	\$ 2,120	\$ 1,805
Income taxes	9,889	9,604

5. Earnings Per Share

The following table reconciles Basic and Diluted earnings per share (EPS):

	Basic EPS	Dilutive Effect of Stock Options	Diluted EPS
Thirteen weeks ended March 28, 2009:			
Net earnings attributable to Valmont Industries, Inc.	\$ 35,864	—	\$ 35,864
Shares outstanding	25,902	323	26,225
Per share amount	\$ 1.38	\$ (0.01)	\$ 1.37
Thirteen weeks ended March 29, 2008:			
Net earnings attributable to Valmont Industries, Inc.	\$ 29,699	—	\$ 29,699
Shares outstanding	25,692	532	26,224
Per share amount	\$ 1.16	\$ (0.03)	\$ 1.13

At March 28, 2009 there were 641,370 of outstanding stock options with exercise prices exceeding the market price of common stock that were therefore excluded from the computation of fully diluted shares earnings per share for the thirteen weeks ended March 28, 2009. At March 29, 2008, there were no outstanding stock options with exercise prices exceeding the market price of common stock. Therefore, there were no shares contingently issuable upon exercise of stock options excluded from the computation of diluted earnings per share for the thirteen weeks ended March 29, 2008.

6. Comprehensive Income

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. Currency translation adjustment is the Company's only component of accumulated other

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

6. Comprehensive Income (Continued)

comprehensive income. The Company's total comprehensive income attributable to the Company for the thirteen weeks ended March 28, 2009 and March 29, 2008, respectively, were as follows:

	Thirteen Weeks Ended	
	March 28,	March 29,
Net earnings attributable to Valmont Industries, Inc.	\$35,864	\$29,699
Currency translation adjustment	(2,571)	5,857
Total comprehensive income attributable to Valmont Industries, Inc.	<u>\$33,293</u>	<u>\$35,556</u>

7. Business Segments

The Company aggregates its operating segments into four reportable segments. Aggregation is based on similarity of operating segments as to economic characteristics, products, production processes, types or classes of customer and the methods of distribution. Net corporate expense is net of certain service-related expenses that are allocated to business units generally based on employee headcounts and sales dollars.

Reportable segments are as follows:

ENGINEERED SUPPORT STRUCTURES: This segment consists of the manufacture of engineered metal structures and components for the lighting and traffic and wireless communication industries, certain international utility industries and for other specialty applications;

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

COATINGS: This segment consists of galvanizing, anodizing and powder coating services; and

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

In addition to these four reportable segments, the Company has other businesses that individually are not more than 10% of consolidated sales. These businesses, which include the manufacture of tubular products and the distribution of industrial fasteners, 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

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

7. Business Segments (Continued)

invested capital. The Company does not allocate interest expense, non-operating income and deductions, or income taxes to its business segments.

	Thirteen Weeks Ended	
	March 28, 2009	March 29, 2008
SALES:		
Engineered Support Structures segment:		
Lighting & Traffic	\$ 119,478	\$ 115,980
Specialty	32,933	25,292
Utility	5,976	8,166
Engineered Support Structures segment	158,387	149,438
Utility Support Structures segment:		
Steel	140,818	79,506
Concrete	35,243	21,664
Utility Support Structures segment	176,061	101,170
Coatings segment	30,012	35,128
Irrigation segment	103,062	130,778
Other	19,610	25,449
Total	487,132	441,963
INTERSEGMENT SALES:		
Engineered Support Structures	20,418	5,987
Utility Support Structures	558	681
Coatings	6,143	7,681
Irrigation	5	9
Other	4,854	5,319
Total	31,978	19,677
NET SALES:		
Engineered Support Structures segment	137,969	143,451
Utility Support Structures segment	175,503	100,489
Coatings segment	23,869	27,447
Irrigation segment	103,057	130,769
Other	14,756	20,130
Total	\$ 455,154	\$ 422,286
OPERATING INCOME (LOSS):		
Engineered Support Structures segment	\$ 8,069	\$ 10,082
Utility Support Structures segment	38,956	14,673
Coatings segment	5,991	6,546
Irrigation segment	12,012	22,395
Other	3,474	4,412
Net corporate expense	(10,183)	(7,642)
Total	\$ 58,319	\$ 50,466

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

8. Guarantor/Non-Guarantor Financial Information

On May 4, 2004, the Company completed a \$150,000,000 offering of 6⁷/₈% Senior Subordinated Notes. The Notes are guaranteed, jointly, severally, fully and unconditionally, on a senior subordinated basis by certain of the Company's current and future direct and indirect domestic 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.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

8. Guarantor/Non-Guarantor Financial Information (Continued)

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

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Thirteen Weeks Ended March 28, 2009

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	\$253,559	\$120,670	\$124,749	\$ (43,824)	\$455,154
Cost of sales	185,751	91,433	94,655	(45,001)	326,838
Gross profit	67,808	29,237	30,094	1,177	128,316
Selling, general and administrative expenses	37,770	14,037	18,190	—	69,997
Operating income	30,038	15,200	11,904	1,177	58,319
Other income (expenses):					
Interest expense	(3,963)	(7)	(314)	—	(4,284)
Interest income	7	1	324	—	332
Miscellaneous	(152)	63	(1,709)	—	(1,798)
	(4,108)	57	(1,699)	—	(5,750)
Earnings before income taxes, minority interest and equity in equity in earnings/(losses) of nonconsolidated subsidiaries	25,930	15,257	10,205	1,177	52,569
Income tax expense (benefit):					
Current	5,403	5,764	1,133	—	12,300
Deferred	3,631	(121)	1,445	—	4,955
	9,034	5,643	2,578	—	17,255
Earnings before equity in earnings/(losses) of nonconsolidated subsidiaries	16,896	9,614	7,627	1,177	35,314
Equity in earnings/(losses) of nonconsolidated subsidiaries	17,791	—	—	(17,225)	566
Net Earnings	34,687	9,614	7,627	(16,048)	35,880
Less: Earnings attributable to noncontrolling interests	—	—	(16)	—	(16)
Net Earnings attributable to Valmont Industries, Inc.	\$ 34,687	\$ 9,614	\$ 7,611	\$ (16,048)	\$ 35,864

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

8. Guarantor/Non-Guarantor Financial Information (Continued)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For the Thirteen Weeks Ended March 29, 2008

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	\$251,707	\$ 79,739	\$ 116,414	\$ (25,574)	\$422,286
Cost of sales	183,422	62,655	86,541	(26,140)	306,478
Gross profit	68,285	17,084	29,873	566	115,808
Selling, general and administrative expenses	35,544	11,116	18,682	—	65,342
Operating income	32,741	5,968	11,191	566	50,466
Other income (expenses):					
Interest expense	(3,878)	(6)	(590)	—	(4,474)
Interest income	80	12	529	—	621
Miscellaneous	(907)	47	(483)	—	(1,343)
	(4,705)	53	(544)	—	(5,196)
Earnings before income taxes, minority interest and equity in equity in earnings/(losses) of nonconsolidated subsidiaries	28,036	6,021	10,647	566	45,270
Income tax expense (benefit):					
Current	11,816	2,126	2,719	—	16,661
Deferred	(1,663)	62	(6)	—	(1,607)
	10,153	2,188	2,713	—	15,054
Earnings before equity in earnings/(losses) of nonconsolidated subsidiaries	17,883	3,833	7,934	566	30,216
Equity in earnings/(losses) of nonconsolidated subsidiaries	11,250	—	6	(11,330)	(74)
Net Earnings	29,133	3,833	7,940	(10,764)	30,142
Less: Earnings attributable to noncontrolling interests	—	—	(443)	—	(443)
Net Earnings attributable to Valmont Industries, Inc.	\$ 29,133	\$ 3,833	\$ 7,497	\$ (10,764)	\$ 29,699

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)
(Unaudited)
8. Guarantor/Non-Guarantor Financial Information (Continued)
CONDENSED CONSOLIDATED BALANCE SHEETS
March 28, 2009

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 25,309	\$ 1,520	\$ 48,993	\$ —	\$ 75,822
Receivables, net	122,700	70,259	127,270	—	320,229
Inventories	140,748	65,421	110,992	—	317,161
Prepaid expenses	3,387	1,124	10,288	—	14,799
Refundable and deferred income taxes	16,449	6,319	6,881	—	29,649
Total current assets	308,593	144,643	304,424	—	757,660
Property, plant and equipment, at cost	391,784	91,185	155,998	—	638,967
Less accumulated depreciation and amortization	246,367	40,376	78,673	—	365,416
Net property, plant and equipment	145,417	50,809	77,325	—	273,551
Goodwill	20,108	107,542	46,724	—	174,374
Other intangible assets	1,106	78,827	22,079	—	102,012
Investment in subsidiaries and intercompany accounts	685,732	340	(54,713)	(631,359)	—
Other assets	20,178	—	2,919	—	23,097
Total assets	<u>\$ 1,181,134</u>	<u>\$ 382,161</u>	<u>\$ 398,758</u>	<u>\$ (631,359)</u>	<u>\$ 1,330,694</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current installments of long-term debt	\$ 864	\$ 13	\$ 182	\$ —	\$ 1,059
Notes payable to banks	—	10	13,833	—	13,843
Accounts payable	66,263	16,110	56,008	—	138,381
Accrued expenses	51,671	9,142	40,902	—	101,715
Dividends payable	3,412	—	—	—	3,412
Total current liabilities	122,210	25,275	110,925	—	258,410
Deferred income taxes	15,001	22,606	8,053	—	45,660
Long-term debt, excluding current installments	329,351	19	1,350	—	330,720
Other noncurrent liabilities	19,526	—	2,772	—	22,298
Commitments and contingencies	—	—	—	—	—
Shareholders' equity:					
Common stock of \$1 par value	27,900	14,248	3,494	(17,742)	27,900
Additional paid-in capital	—	181,542	129,952	(311,494)	—
Retained earnings	693,730	138,471	129,241	(302,123)	659,319
Accumulated other comprehensive income	—	—	(3,105)	—	(3,105)
Treasury stock	(26,584)	—	—	—	(26,584)
Total Valmont Industries, Inc. shareholders' equity	695,046	334,261	259,582	(631,359)	657,530
Noncontrolling interest in consolidated subsidiaries	—	—	16,076	—	16,076
Total shareholders' equity	695,046	334,261	275,658	(631,359)	673,606
Total liabilities and shareholders' equity	<u>\$ 1,181,134</u>	<u>\$ 382,161</u>	<u>\$ 398,758</u>	<u>\$ (631,359)</u>	<u>\$ 1,330,694</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)
(Unaudited)
8. Guarantor/Non-Guarantor Financial Information (Continued)
CONDENSED CONSOLIDATED BALANCE SHEETS
December 27, 2008

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 18,989	\$ 1,503	\$ 48,075	\$ —	\$ 68,567
Receivables, net	114,510	61,625	151,485	—	327,620
Inventories	132,896	69,913	110,602	—	313,411
Prepaid expenses	3,362	639	9,820	—	13,821
Refundable and deferred income taxes	19,636	6,235	6,509	—	32,380
Total current assets	289,393	139,915	326,491	—	755,799
Property, plant and equipment, at cost	386,488	88,723	155,199	—	630,410
Less accumulated depreciation and amortization	243,153	38,903	79,034	—	361,090
Net property, plant and equipment	143,335	49,820	76,165	—	269,320
Goodwill	20,108	107,542	47,641	—	175,291
Other intangible assets	1,147	80,329	23,030	—	104,506
Investment in subsidiaries and intercompany accounts	679,653	2,722	(56,869)	(625,506)	—
Other assets	17,584	—	3,788	—	21,372
Total assets	<u>\$ 1,151,220</u>	<u>\$ 380,328</u>	<u>\$ 420,246</u>	<u>\$ (625,506)</u>	<u>\$ 1,326,288</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current installments of long-term debt	\$ 852	\$ 16	\$ 36	\$ —	\$ 904
Notes payable to banks	—	13	19,539	—	19,552
Accounts payable	52,891	19,812	64,165	—	138,868
Accrued expenses	62,958	13,175	43,725	—	119,858
Dividends payable	3,402	—	—	—	3,402
Total current liabilities	120,103	33,016	127,465	—	280,584
Deferred income taxes	14,558	22,642	7,924	—	45,124
Long-term debt, excluding current installments	335,537	23	1,568	—	337,128
Other noncurrent liabilities	19,524	—	2,952	—	22,476
Commitments and contingencies	—	—	—	—	—
Shareholders' equity:					
Common stock of \$1 par value	27,900	14,248	3,494	(17,742)	27,900
Additional paid-in capital	—	181,542	139,577	(321,119)	—
Retained earnings	661,088	128,857	120,954	(286,645)	624,254
Accumulated other comprehensive income	—	—	(533)	—	(533)
Treasury stock	(27,490)	—	—	—	(27,490)
Total Valmont Industries, Inc. shareholders' equity	661,498	324,647	263,492	(625,506)	624,131
Noncontrolling interest in consolidated subsidiaries	—	—	16,845	—	16,845
Total shareholders' equity	661,498	324,647	280,337	(625,506)	640,976
Total liabilities and shareholders' equity	<u>\$ 1,151,220</u>	<u>\$ 380,328</u>	<u>\$ 420,246</u>	<u>\$ (625,506)</u>	<u>\$ 1,326,288</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)
(Unaudited)
8. Guarantor/Non-Guarantor Financial Information (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Thirteen Weeks Ended March 28, 2009

	Parent	Guarantors	Non- Guarantors	Eliminations	Total
Cash flows from operations:					
Net earnings	\$ 34,687	\$ 9,614	\$ 7,627	\$ (16,048)	\$ 35,880
Adjustments to reconcile net earnings to net cash flow from operations:					
Depreciation	4,528	3,153	3,154	—	10,835
Stock-based compensation	1,499	—	—	—	1,499
Loss on sales of property, plant and equipment	(3)	48	76	—	121
Equity in losses of nonconsolidated subsidiaries	(566)	—	—	—	(566)
Deferred income taxes	3,631	(121)	1,445	—	4,955
Other adjustments	(525)	—	1,234	—	709
Changes in assets and liabilities:					
Receivables	(8,191)	(8,634)	21,166	—	4,341
Inventories	(7,852)	4,492	(2,236)	—	(5,596)
Prepaid expenses	(25)	(484)	(658)	—	(1,167)
Accounts payable	9,138	(3,703)	(6,337)	—	(902)
Accrued expenses	(10,853)	(4,032)	(1,787)	—	(16,672)
Other noncurrent liabilities	1,695	—	(180)	—	1,515
Income taxes payable/refundable	4,236	—	(1,710)	—	2,526
Net cash flows from operations	<u>31,399</u>	<u>333</u>	<u>21,794</u>	<u>(16,048)</u>	<u>37,478</u>
Cash flows from investing activities:					
Purchase of property, plant and equipment	(6,391)	(2,687)	(4,964)	—	(14,042)
Proceeds from sale of property and equipment	6	—	16	—	22
Acquisitions, net of cash acquired	—	—	—	—	—
Dividends to minority interests	—	—	(195)	—	(195)
Other, net	(11,226)	2,380	(9,465)	16,048	(2,263)
Net cash flows from investing activities	<u>(17,611)</u>	<u>(307)</u>	<u>(14,608)</u>	<u>16,048</u>	<u>(16,478)</u>
Cash flows from financing activities:					
Net repayments under short-term agreements	—	(3)	(5,706)	—	(5,709)
Proceeds from long-term borrowings	—	3	69	—	72
Principal payments on long-term obligations	(6,175)	(9)	(129)	—	(6,313)
Dividends paid	(3,402)	—	—	—	(3,402)
Proceeds from exercises under stock plans	1,394	—	—	—	1,394
Excess tax benefits from stock option exercises	855	—	—	—	855
Purchase of common treasury shares	(140)	—	—	—	(140)
Net cash flows from financing activities	<u>(7,468)</u>	<u>(9)</u>	<u>(5,766)</u>	<u>—</u>	<u>(13,243)</u>
Effect of exchange rate changes on cash and cash equivalents					
	—	—	(502)	—	(502)
Net change in cash and cash equivalents	6,320	17	918	—	7,255
Cash and cash equivalents—beginning of year	18,989	1,503	48,075	—	68,567
Cash and cash equivalents—end of period	<u>\$ 25,309</u>	<u>\$ 1,520</u>	<u>\$ 48,993</u>	<u>\$ —</u>	<u>\$ 75,822</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)
(Unaudited)
8. Guarantor/Non-Guarantor Financial Information (Continued)
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Thirteen Weeks Ended March 29, 2008**

	Parent	Guarantors	Non- Guarantors	Eliminations	Total
Cash flows from operations:					
Net earnings	\$ 29,133	\$ 3,833	\$ 7,940	\$ (10,764)	\$ 30,142
Adjustments to reconcile net earnings to net cash flow from operations:					
Depreciation	4,295	2,591	2,635	—	9,521
Stock-based compensation	1,399	—	—	—	1,399
Loss on sales of property, plant and equipment	21	30	(266)	—	(215)
Equity in losses of nonconsolidated subsidiaries	80	—	(6)	—	74
Deferred income taxes	(1,663)	61	(5)	—	(1,607)
Other adjustments	—	—	(118)	—	(118)
Changes in assets and liabilities:					
Receivables	(12,438)	961	(1,153)	—	(12,630)
Inventories	(7,395)	5,398	(7,206)	—	(9,203)
Prepaid expenses	470	(210)	(198)	—	62
Accounts payable	7,725	(3,123)	(5,511)	—	(909)
Accrued expenses	(7,264)	(1,404)	531	—	(8,137)
Other noncurrent liabilities	(1,883)	—	241	—	(1,642)
Income taxes payable/refundable	8,142	—	1,029	—	9,171
Net cash flows from operations	<u>20,622</u>	<u>8,137</u>	<u>(2,087)</u>	<u>(10,764)</u>	<u>15,908</u>
Cash flows from investing activities:					
Purchase of property, plant and equipment	(5,446)	(1,176)	(4,250)	—	(10,872)
Proceeds from sale of property and equipment	88	15	1,940	—	2,043
Acquisitions, net of cash acquired	—	(57,904)	(31,472)	—	(89,376)
Dividends to minority interests	—	—	—	—	—
Other, net	(93,656)	51,304	30,842	10,764	(746)
Net cash flows from investing activities	<u>(99,014)</u>	<u>(7,761)</u>	<u>(2,940)</u>	<u>10,764</u>	<u>(98,951)</u>
Cash flows from financing activities:					
Net repayments under short-term agreements	—	—	(504)	—	(504)
Proceeds from long-term borrowings	50,000	(11)	841	—	50,830
Principal payments on long-term obligations	(4,624)	(8)	(1,812)	—	(6,444)
Dividends paid	(2,724)	—	—	—	(2,724)
Proceeds from exercises under stock plans	1,580	—	—	—	1,580
Excess tax benefits from stock option exercises	1,029	—	—	—	1,029
Purchase of common treasury shares	(584)	—	—	—	(584)
Net cash flows from financing activities	<u>44,677</u>	<u>(19)</u>	<u>(1,475)</u>	<u>—</u>	<u>43,183</u>
Effect of exchange rate changes on cash and cash equivalents	—	—	356	—	356
Net change in cash and cash equivalents	<u>(33,715)</u>	<u>357</u>	<u>(6,146)</u>	<u>—</u>	<u>(39,504)</u>
Cash and cash equivalents—beginning of year	58,344	464	47,724	—	106,532
Cash and cash equivalents—end of period	<u>\$ 24,629</u>	<u>\$ 821</u>	<u>\$ 41,578</u>	<u>\$ —</u>	<u>\$ 67,028</u>

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
PART 1. FINANCIAL INFORMATION

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 the 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 27, 2008. We aggregate our businesses into four reportable segments. See Note 7 to the Condensed Consolidated Financial Statements.

Dollars in thousands, except per share amounts

	Thirteen Weeks Ended		%
	March 28, 2009	March 29, 2008	
Consolidated			
Net sales	\$ 455,154	\$ 422,286	7.8%
Gross profit	128,316	115,808	10.8%
<i>as a percent of sales</i>	28.2%	27.4%	
SG&A expense	69,997	65,342	7.1%
<i>as a percent of sales</i> >	15.4%	15.5%	
Operating income	58,319	50,466	15.6%
<i>as a percent of sales</i>	12.8%	12.0%	
Net interest expense	3,952	3,853	2.6%
Effective tax rate	32.8%	33.3%	
Net earnings attributable to Valmont Industries, Inc.	35,864	29,699	20.8%
Earnings per share attributable to Valmont Industries, Inc—diluted	\$ 1.37	\$ 1.13	21.2%
Engineered Support Structures segment			
Net sales	\$ 137,969	\$ 143,451	-3.8%
Gross profit	35,258	37,591	-6.2%
SG&A expense	27,189	27,509	-1.2%
Operating income	8,069	10,082	-20.0%
Utility Support Structures segment			
Net sales	\$ 175,503	\$ 100,489	74.6%
Gross profit	53,574	26,600	101.4%
SG&A expense	14,618	11,927	22.6%
Operating income	38,956	14,673	165.5%
Coatings segment			
Net sales	\$ 23,869	\$ 27,447	-13.0%
Gross profit	9,479	9,932	-4.6%
SG&A expense	3,488	3,386	3.0%
Operating income	5,991	6,546	-8.5%
Irrigation segment			
Net sales	\$ 103,057	\$ 130,769	-21.2%
Gross profit	24,292	35,143	-30.9%
SG&A expense	12,280	12,748	-3.7%
Operating income	12,012	22,395	-46.4%
Other			
Net sales	\$ 14,756	\$ 20,130	-26.7%
Gross profit	5,772	6,493	-11.1%
SG&A expense	2,298	2,081	10.4%
Operating income	3,474	4,412	-21.3%
Net Corporate expense			
Gross profit	\$ (59)	\$ 49	-120.4%
SG&A expense	10,124	7,691	31.6%
Operating loss	(10,183)	(7,642)	33.3%

Overview

On a consolidated basis, the sales increase in the first quarter of fiscal 2009, as compared with 2008, was mainly due to the impact of acquisitions completed after the close of the first quarter of 2008 (approximately \$17.6 million) and higher selling prices due to steel cost increases that occurred throughout most of 2008. These increases were offset somewhat by currency translation effects (approximately \$9.7 million), as the U.S. dollar was stronger in relation to the euro and Brazilian real in the first quarter of 2009, as compared with the same period in 2008. For the company as a whole our sales unit volumes were slightly lower in 2009, as compared with 2008. On a reportable segment basis, we realized a significant sales unit volume increase in the Utility Support Structures ("Utility") segment. This sales unit volume increase was more than offset by lower unit sales volumes in our other reportable segments. These decreases were mainly due to the global economic recession that began in late 2009, resulting in weaker sales demand for these businesses. While sales unit prices were higher in the first quarter of 2009, as compared with 2008, pricing levels have generally decreased as compared with late 2008, due to pricing pressures associated with weaker sales demand and lower raw material prices.

The increase in gross profit margin (gross profit as a percent of sales) in the first quarter of 2009 over the same period in 2008 was mainly due to the strong sales and operational performance of the Utility segment and improved gross margins in the Coatings segment. The Engineered Support Structures (ESS) and Irrigation segments reported weaker gross margins in 2009, as compared with 2008, mainly due to lower sales and production levels.

Selling, general and administrative (SG&A) spending increased mainly due to increased salary and benefit costs (approximately \$3.1 million), the effect of acquisitions completed after March 29, 2008 (approximately \$2.3 million), higher group medical expenses in 2009, as compared with 2008 (approximately \$1.1 million) and increased deferred compensation expense related to the improved investment performance in the marketable securities underlying the deferred compensation plan as compared with the first quarter of 2008 (approximately \$0.9 million). We recorded the investment gains and losses in these securities as "Miscellaneous" in our condensed consolidated statements of operations for the thirteen weeks ended March 28, 2009 and March 29, 2008, respectively. These increases were somewhat offset by currency translation effects of approximately \$1.5 million.

On a reportable segment basis, the substantial increase in operating income in the Utility segment more than offset decreased operating income of our other segments, resulting in an overall increase in 2009 first quarter operating income of \$7.9 million, or 15.6%, as compared with the first quarter of 2008.

Net interest expense in the first quarter of 2009 was comparable to the same period of 2008. While our first quarter 2009 average borrowing levels were approximately \$90 million higher than the same period in 2008, we benefited from lower interest rates on our variable rate debt. "Miscellaneous" expense was higher in 2009, as compared with 2008, mainly due to foreign currency transaction losses, offset to a degree by improved investment performance in assets in our deferred compensation plan.

The decrease in the effective income tax rate in the first quarter of 2009, as compared with the same period in 2008, was mainly due to reduced income tax contingency liabilities. Our cash flows provided by operations was \$37.5 million in the first quarter of 2009, as compared with \$15.9 million in the first quarter of 2008. Improved net earnings and a smaller increase working capital in 2009, as compared with 2008, were the main reasons for the improved operating cash flow in 2008.

Engineered Support Structures (ESS) segment

The decrease in ESS segment sales in the first quarter of 2009, as compared with 2008, was mainly due to weaker sales demand in worldwide markets and foreign currency translation effects

(approximately \$5.3 million). These decreases were offset somewhat by the impact of acquisitions (approximately \$16.9 million) and higher selling prices, as compared with the first quarter of 2008.

In North America, lighting and traffic structure sales were lower than 2008 levels due to decreased demand for lighting and traffic control support structures. In particular, sales demand for lighting structures for residential and commercial outdoor lighting applications were lower in 2009, as compared with 2008, due to weaker residential and commercial construction activity that resulted from the global economic recession and tightness in credit markets. Net sales in the transportation market channel likewise were lower in 2009 as compared with 2008. In addition to the recession in the U.S. economy, we believe that state budget deficits and uncertainty over the U.S. economic stimulus plan also contributed to weaker sales order flows in late 2008 and early 2009, which impacted first quarter 2009 shipments. We believe that any positive impact from the U.S. economic stimulus plan directed towards street and highway construction projects will likely be realized beginning in the fourth quarter of 2009. In Europe, sales in the first quarter of 2009 were comparable with 2008, as the impact from the Mitas and Stainton acquisitions in late 2008 were offset by lower sales demand due to economic weakness in Europe and currency translation effects.

Sales of Specialty Structures products in the first quarter of 2009 increased as compared with the same period in 2008. In North America, market conditions for sales of structures and components for the wireless communication market in 2009 were comparable to 2008, but sales were higher due mainly to the acquisition of Site Pro 1 (Site Pro) in July 2008. Sales of wireless communication poles in China in the first quarter of 2009 were stronger as compared with a relatively weak 2008, when there was some delay in demand for wireless communication structures due to industry reorganization.

In the utility product line, China's sales of utility structures in the China market were lower in 2009, as compared with 2008, offset somewhat by stronger sales of products exported from China.

The decrease in the operating income of the ESS segment in the first quarter of 2009 as compared with the same period in 2008 was mainly due to the decrease in sales volumes in worldwide markets, offset to a degree by the impact of acquisitions (approximately \$1.5 million). For the segment, SG&A expense in the first quarter of 2009 was comparable with the same period in 2008, as the impact from acquisitions (approximately \$2.1 million) was offset by currency translation impacts (approximately \$1.0 million) and lower management incentive expenses (approximately \$1.1 million).

Utility Support Structures segment

In the Utility Support Structures segment, the sales increase in the first quarter of 2009 as compared with the first quarter of 2008 was due to continued strong demand for steel and concrete transmission and substation structures and higher average sales prices. We entered the 2009 fiscal year with a record backlog and the strong first quarter 2009 sales performance relates directly to the large backlogs from year-end 2008. Our customers, who are mainly utility companies, are continuing their investment commitments in transmission and substation structures over the past several years to improve the reliability and capacity of the electrical grid in the U.S. Sales demand for pole structures for electrical distribution was weaker in 2009, as compared with 2008. This weakness relates directly to the downturn in residential and commercial construction in the U.S. that started in late 2008 due to the economic recession and credit crisis.

The improved operating earnings for this segment in 2009, as compared with 2008, related to the increased sales levels, improved operating leverage associated with higher sales volumes and a more favorable sales mix than the first quarter of 2008. The increase in SG&A spending was principally due to higher salary and employee benefit costs (\$0.8 million) to support the higher sales volumes and higher employee incentives (approximately \$0.8 million) associated with improved operating earnings of this segment.

Coatings segment

The decrease in Coatings segment sales in the first quarter of 2009 as compared with the first quarter of 2008 was predominantly due to decreased sales volumes from both internal and external customers along with lower selling prices due to lower per pound zinc costs in 2009, as compared with 2008. The decrease in sales volumes in our galvanizing operations in the first quarter of 2009 was approximately 15%, as compared with the same period in 2008. The decrease in sales demand was related to industrial economic conditions in our served markets due to the U.S. economic recession.

Operating income in the first quarter of 2009 was modestly below the same period in 2008, mainly as a result of lower sales demand. The impact of lower sales volumes was mitigated by cost reductions in factory operations, which included reduced utilization of contracted temporary workers. SG&A spending in the first quarter of 2009 was comparable with the first quarter of 2008, as the impact of an acquisition completed in the fourth quarter of 2008 was offset by lower management incentive expense.

Irrigation segment

The sales decrease in the Irrigation segment for the first quarter of 2009, as compared with the same period in 2008, was mainly due to weaker sales volumes in both domestic and international markets. In 2009, lower farm commodity prices and lower anticipated farm income, as compared with the first quarter of 2008, resulted in decreased demand for mechanized irrigation machines in global markets. In addition, we believe that the global economic recession and an uncertain outlook for world economies caused some customers to delay capital investments in irrigation technology in 2009. In North America, average selling prices were slightly higher than last year, in response to increasing raw material prices that we experienced throughout most of 2008. In 2009, selling prices have decreased somewhat from the fourth quarter of 2008, due to price competition in our various markets and lower raw material prices. International irrigation sales in the first quarter of 2009 were down in most markets, as compared with the first quarter of 2008, although sales in China and Brazil in 2009 were comparable with 2008. Sales pricing in international markets in the first quarter of 2009 was similar to the same period in 2008.

The decrease in operating income for the first quarter of 2009, as compared with the same period in 2008, was due to the effect of lower sales unit volumes and the associated operating leverage realized as a result of lower sales and production levels. SG&A spending in 2009 was comparable with 2008, as lower incentive expense accruals related to decreased operating income this year were essentially offset by higher salary and employee benefits costs.

Other

This mainly includes our tubing and industrial fastener operations. The decrease in sales and operating income in the first quarter of 2009, as compared with the same period in 2008, mainly related to weaker sales of industrial tubing due to the economic recession in the U.S. this year.

Net corporate expense

The increase in net corporate expense in the first quarter of 2009 as compared with the first quarter of 2008 was mainly due to higher group medical benefit costs in 2009 (approximately \$1.1 million) and increased deferred compensation liabilities related to higher investment returns on the assets of the deferred compensation plan of approximately \$0.9 million. The investment gains and losses were recorded in "Miscellaneous" in our condensed consolidated statement of earnings for the thirteen-week periods ended March 28, 2009 and March 29, 2008.

Liquidity and Capital Resources

Cash Flows

Working Capital and Operating Cash Flows—Net working capital was \$499.6 million at March 28, 2009, as compared with \$475.2 million at December 27, 2008. The ratio of current assets to current liabilities was 2.93:1 at March 28, 2009, as compared with 2.69:1 at December 27, 2008. Operating cash flow was \$37.5 million for the thirteen week period ended March 28, 2009, as compared with \$15.9 million for the same period in 2008. The improved operating cash flow in 2009 was the result of higher net earnings and a lower increase in working capital in 2009, as compared with 2008. Accounts receivable turnover in the first quarter of 2009 was slightly lower than the same period in 2008, due mainly to a shift in our sales mix from irrigation to other product lines. Inventory levels increased modestly in the first quarter of 2009, as compared to December 27, 2008, mainly due to higher inventories in the Utility segment to support the sales volume in that segment. Other reportable segments reported modestly lower inventory levels. We plan to continue to reduce inventories throughout the balance of 2009, depending on business conditions and provided that vendor delivery performance is at acceptable levels.

Investing Cash Flows—Capital spending during the thirteen weeks ended March 28, 2009 was \$14.0 million, as compared with \$10.9 million for the same period in 2008. We expect our capital spending for the 2009 fiscal year to be approximately \$50 million. Investing cash flows in 2008 reflected the aggregate of \$89.4 million of cash paid for the West Coast and Penn Summit acquisitions.

Financing Cash Flows—Our total interest-bearing debt decreased from \$357.6 million at December 27, 2008 to \$345.6 million as of March 28, 2009. The decrease in borrowings in the first quarter of 2009 was predominantly associated with payments on our borrowings under our revolving credit agreement and short-term notes payable.

Sources of Financing and Capital

We have historically funded our growth, capital spending and acquisitions through a combination of operating cash flows and debt financing. We have an internal long-term objective to maintain long-term debt as a percent of invested capital at or below 40%. At March 28, 2009, our long-term debt to invested capital ratio was 30.5%, as compared with 31.7% at December 27, 2008. 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 2009.

Our debt financing at March 28, 2009 consisted primarily of long-term debt. We also maintain certain short-term bank lines of credit totaling \$33.2 million, \$30.0 million of which was unused at March 28, 2009. Our long-term debt principally consists of:

- \$150 million of senior subordinated notes that bear interest at 6.875% per annum and are due in May 2014. We are allowed to repurchase the notes starting in May 2009 at specified prepayment premiums. These notes are guaranteed by certain of our U.S. subsidiaries.
- \$280 million revolving credit agreement with a group of banks. We may increase the credit facility by up to an additional \$100 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 200 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 200 basis points (inclusive of facility fees), depending on our ratio of debt to EBITDA

At March 28, 2009, we had \$163.0 in outstanding borrowings under the revolving credit agreement, at an interest rate of 1.74%. The revolving credit agreement has a termination date of October 16, 2013 and contains certain financial covenants that may limit our additional borrowing capability under the agreement. At March 28, 2009, we had the ability to borrow an additional \$91 million under this facility.

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 that interest-bearing debt is not to exceed 3.75x EBITDA of the prior four quarters and that our EBITDA over our prior four quarters must be at least 2.50x our interest expense over the same period. At March 28, 2009, we were in compliance with all covenants related to these debt agreements.

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 and our history of positive operational cash flows, we believe that we have adequate liquidity to meet our needs.

Financial Obligations and Financial Commitments

There have been no material changes to our financial obligations and financial commitments as described beginning on page 35 in our Form 10-K for the year ended December 27, 2008.

Off Balance Sheet Arrangements

There have been no changes in our off balance sheet arrangements as described on page 36 in our Form 10-K for the fiscal year ended December 27, 2008.

Critical Accounting Policies

There have been no changes in our critical accounting policies during the quarter ended March 28, 2009. We described these policies on pages 38-41 in our Form 10-K for fiscal year ended December 27, 2008.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

There were no material changes in the company's market risk during the quarter ended March 27, 2009. For additional information, refer to the section "Risk Management" beginning on page 37 in our Form 10-K for the fiscal year ended December 27, 2008.

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 2. Unregistered Sales of Equity Securities and Use of Proceeds****Issuer Purchases of Equity Securities**

<u>Period</u>	(a) <u>Total Number of Shares Purchased</u>	(b) <u>Average Price paid per share</u>	(c) <u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	(d) <u>Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs</u>
December 28, 2008 to January 24, 2009	—	—	—	—
January 25, 2009 to February 28, 2009	191	\$ 44.85	—	—
March 1, 2009 to March 28, 2009	2,556	\$ 51.61	—	—
Total	<u>2,747</u>	<u>\$ 51.14</u>	<u>—</u>	<u>—</u>

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

Item 4. Submission of Matters to a Vote of Security Holders

Valmont's annual meeting of stockholders was held on April 27, 2009. The stockholders elected three directors to serve three-year terms and ratified the appointment of Deloitte & Touche LLP to audit the Company's financial statements for fiscal 2009. For the annual meeting there were

26,237,084 shares outstanding and eligible to vote of which 23,310,651 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>
Glen A. Barton	23,141,932	168,719
Daniel P. Neary	23,055,839	254,812
Kenneth E. Stinson	22,988,252	322,399

Proposal to ratify the appointment of Deloitte & Touche LLP as independent auditors for fiscal 2009:

For	22,806,518
Against	465,795
Abstain	38,338

Item 6. Exhibits

(a) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Valmont's Restated Certificate of Incorporation
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

Index of Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Valmont's Restated Certificate of Incorporation
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

**RESTATED
CERTIFICATE OF INCORPORATION**

OF

VALMONT INDUSTRIES, INC.

First: The name of the corporation is Valmont Industries, Inc. (the "Corporation" or "Company"). The original certificate of incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on August 2, 1974.

Second: This Restated Certificate of Incorporation restates and integrates the provisions of the certificate of incorporation of the Corporation as heretofore amended and supplemented without any further amendments and without any discrepancy between the provisions of the certificate of incorporation of the Corporation as heretofore amended and supplemented and the provisions of this Restated Certificate of Incorporation. This Restated Certificate of Incorporation was duly adopted by the Board of Directors of the Corporation on April 27, 2009 in accordance with Section 245 of the General Corporation Law of the State of Delaware.

Third: The certificate of incorporation of the Corporation is restated to read in its entirety as follows:

ARTICLE I

NAME

The name of the corporation is Valmont Industries, Inc.

ARTICLE II

DURATION

The period of the corporation's duration is perpetual.

ARTICLE III

PURPOSES

The purposes for which this corporation is organized are:

- (a) To purchase, own, hold, sell, manage, manufacture, produce, process, distribute, equip, install, service, import, export, and otherwise deal in personal property of whatsoever nature and kind, including but not limited to: farm equipment and machinery, irrigation systems and equipment, light poles, steel pipe, mechanical tubing, tapered tubes and tubular products.
 - (b) To purchase, lease, acquire, hold, use, own, improve, develop, rent, sell, mortgage, pledge, convey, dispose of and exchange in any manner deemed expedient, real and personal property, either or both, including equipment and machinery of all types, or any rights, interests or estates therein, as a part of the principal of the business of the corporation, or in connection with the transaction of the business of the corporation or incidental, necessary, convenient or useful thereto.
 - (c) To make, develop, import, compound, purchase, or otherwise act, deal in and deal with, use, sell, exchange, export or otherwise dispose of protective coatings and linings of every kind and character and to perform contracting and engineering work and service incidental to the conduct of such business.
 - (d) To purchase or otherwise acquire letters patent, concessions, licenses, inventions, rights, and privileges subject to royalty or otherwise and either exclusive, nonexclusive or limited; or any part in any such letters patent, concessions, licenses, inventions, rights, and privileges either in the United States or in any other part of the world. To sell, lease, or grant any patent rights, concessions, licenses, inventions, rights or privileges belonging to the company or which it may acquire or any interest in the same.
 - (e) To register any patent or patents for any invention or inventions or obtain exclusive or other privileges in respect of the same, in any part of the world, and to apply for, exercise, use or otherwise deal with any patent rights, concessions, mono-policies or other rights or privileges within the United States or in any other part of the world.
 - (f) To purchase, acquire, apply for, secure, hold, or own any and all copyrights, trademarks, trade names, and distinctive marks; and to license, lease, or otherwise authorize the use thereof by other persons, firms, or corporations.
 - (g) To acquire by purchase, subscription, contract or otherwise, and to hold, own, vote, sell, exchange, mortgage, pledge or otherwise dispose of, or turn to account or realize upon and generally deal in and with, the stocks and securities of this corporation or any other corporation or any political or corporate entity, including, but not by way of limitation, securities issued by any government, state, county, municipality, school district, drainage district or any division or subdivision thereof, and to do all things permitted by law for the preservation, protection, improvement or enhancement of the value of such stocks and securities or other obligations, including the right to vote thereon.
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(h) To endorse or guarantee the payment of the principal and interest or dividends upon stocks, bonds, obligations or other securities or evidences of indebtedness, and to guarantee the performance of contracts or other undertakings of any corporation, association, syndicate, individual or others or of any country, nation or governmental or political authority in which this corporation may be or become interested.

(i) To lend money and extend credit, with or without security, to any corporation, association, syndicate, partnership, joint venture, individual or others.

(j) To cause to be formed, merged or reorganized or liquidated, and to promote, take charge of, manage and aid in any way permitted by law the formation, merger, liquidation or reorganization of any corporation, joint venture, combination, entity or association, domestic or foreign.

(k) To purchase, lease, hire or otherwise acquire, hold, own, construct, erect, improve, manage and operate, and to aid and subscribe toward the acquisition, construction or improvement of plants, mills, factories, works, buildings, machinery, equipment, and facilities, and any other property or appliances which may appertain to or be useful in the conduct of the business of the corporation.

(l) To purchase or otherwise acquire or hold any part of the good will, rights, property, and business of any person, firm, association or corporation heretofore or hereafter engaged in any business similar to the business which the corporation has the power to conduct and to hold, utilize, enjoy and in any manner dispose of the whole or any part of the rights, property and business so acquired, and to assume in connection therewith any liabilities of any such person, firm, association or corporation.

(m) To issue shares of its stock of any class in the manner permitted by law and to borrow or raise money for any of the purposes of the corporation, and to issue bonds, debentures, notes or other obligations of any nature and in any manner permitted by law, for money so borrowed or in payment for property purchased or for any other lawful purposes, and to secure the payment thereof and of the interest thereon by mortgage upon or pledge or conveyance or assignment in trust of the whole or any part of the property of this corporation, real or personal, including contract rights, whether at the time owned or thereafter acquired; and to sell, pledge, discount, or otherwise dispose of such stock, bonds, notes or other obligations of the corporation for any of its corporate purposes.

(n) To engage in any commercial, industrial, agricultural or other type of enterprise calculated or designed to be profitable for this corporation and in conformity with the laws of the State of Delaware.

(o) To do everything necessary, proper, advisable and convenient for the accomplishment of the purposes hereinabove set forth and to do all other things incidental thereto or connected therewith which are not forbidden by the laws of the State of Delaware, or by these Articles of Incorporation.

(p) To carry out all or any part of the aforesaid purposes and to conduct its business in all or any of its branches, and to maintain offices and agencies in any or all states, territories, districts, colonies, possessions or dependencies of the United States of America and in foreign countries.

It is the intention that the objects and purposes specified in the foregoing clauses of this Article shall not be in any wise limited or restricted by reference to or inference from the terms of any other clause of this or any other Articles in these Articles of Incorporation, but that the objects and purposes specified in each of the clauses of this Article shall be regarded as independent objects and purposes. It is also the intention that said clauses be constructed both as purposes and powers; and generally, that the corporation shall be authorized to exercise and enjoy all other powers, rights, and privileges granted to or conferred upon a corporation of this character by the laws of the State of Delaware, and the

enumeration of certain powers as herein specified is not intended as exclusive of or as waiver of any of the powers, rights or privileges granted or conferred by the laws of said State, now or hereinafter in force.

ARTICLE IV

AUTHORIZED SHARES

The capital stock of said Corporation shall be Seventy-Five Million Five Hundred Thousand Dollars (\$75,500,000.00) divided into Seventy-Five Million (75,000,000) shares of common stock of a par value of One Dollar (\$1.00) per share and Five Hundred Thousand (500,000) shares of series preferred stock of a par value of One Dollar (\$1.00) per share (hereinafter called the "series preferred stock").

The designations, preferences and relative participating optional or other special rights and qualifications, limitations, restrictions, voting powers and privileges of each class of the corporation's capital stock shall be as follows:

I. Series Preferred Stock

1. The series preferred stock may be issued in such one or more series as shall from time to time be created and authorized to be issued by the Board of Directors as hereinafter provided:

(a) The Board of Directors is hereby expressly authorized by resolution or resolutions from time to time adopted providing for the issuance of series preferred stock to the extent not fixed by the provisions hereinafter set forth or otherwise provided by law, to determine that any series of the series preferred stock shall be without voting powers and to fix and state the voting powers full or limited, if any, the designations, powers, preferences and relative participating optional or other special rights, if any, of the shares of each series or series preferred stock and the qualifications, limitations and restrictions thereof including (but without limiting the generality of the foregoing) any of the following with respect to which the Board of Directors shall determine to make affirmative provisions:

(i) The number of shares to constitute such series and the distinctive name and serial designation thereof;

(ii) The annual dividend rate or rates and the date on which the first dividend on shares of such series shall be payable and all subsequent dividend payment dates;

(iii) Whether dividends are to be cumulative or non-cumulative, the participating or other special rights, if any, with respect to the payment of dividends and the date from which dividends on all shares of such series issued prior to the record date for the first dividend shall be cumulative;

(iv) Whether any series shall be subject to redemption and, if so, the manner of redemption and the redemption price or prices for such series which may consist of a redemption price or scale of redemption prices applicable only to redemption for a sinking fund (which term as used in this clause shall include any fund or provision for the periodic purchase or retirement of shares), and a different redemption price or scale of redemption prices applicable to any other redemption;

(v) The amount or amounts of preferential or other payment to which any series is entitled over any other series or class or over the common stock on voluntary or involuntary liquidation, dissolution or winding up;

(vi) Whether or not the shares of such series shall be subject to the operation of a purchase, retirement or sinking funds, and if so, whether such purchase, retirement or sinking funds shall be cumulative or non-cumulative, the extent to and the manner in which such funds shall be applied to the purchase or redemption of the shares of such series, for

retirement or for other corporate purposes, and the terms and provisions relative to the operation thereof and the extent to which the charges therefor are to have priority over the payment of dividends on any other series or class or the common stock;

(vii) The terms, if any, upon which shares of such series shall be convertible into or exchangeable for or shall have rights to purchase or other privileges to acquire shares of stock of any other class or classes or of any other series of the same or any other class or classes including the price or prices or the rate or rates of conversion, exchange, purchase or acquisition and the terms of adjustment, if any;

(viii) The limitations and restrictions, if any, to be effective while any shares of such series are outstanding upon the payment of dividends or making of other distributions on and upon the purchase, redemption or other acquisition of the common stock or any other series or class or classes of stock of the corporation ranking junior to the shares of such series either as to dividends or upon liquidation;

(ix) The conditions or restrictions, if any, upon the creation of indebtedness of the corporation or upon the issue of any additional stock, including additional shares of such series or of any other series or of any other class, ranking on a parity with or prior to the shares of such series either as to dividends or upon liquidation.

2. Each share of each series of series preferred stock shall have the same relative rights and be identical in all respects with all the other shares of the same series, except that shares of any one series issued at different times may differ as to the dates, if any, from which dividends thereon shall be cumulative. Except as otherwise specified in this ARTICLE IV, any series may differ from any other series with respect to any one or more of the voting powers, designations, powers, preferences and relative, participating, optional and other special rights, if any, and the qualifications, limitations and restrictions thereof. Except where otherwise set forth in the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of series preferred stock, the number of shares comprising such series may be increased or decreased (but not below the number of shares then outstanding) from time to time by like action of the Board of Directors.

3. Before any dividends on any other series or class or classes of stock of the corporation ranking junior to any series of the series preferred stock (other than dividends payable in shares of any series or class or classes of stock of the corporation ranking junior to such series of the series preferred stock) shall be declared or paid or set apart for payment, the holders of shares of such senior series of series preferred stock shall be entitled to such cash dividends, but only when and as therefor, as they may be entitled to in accordance with the resolution or resolutions adopted by the Board of Directors providing for the issue of such series, payable on such dates as may be fixed in such resolution or resolutions. Such dividends shall be cumulative only if and to the extent set forth in such resolution or resolutions.

4. In the event of any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the corporation shall be made to or set apart for the holders of shares of any class or classes of stock of the corporation ranking junior to the series preferred stock, the holders of the shares of each series of the series preferred stock shall be entitled to receive payment of the amount per share fixed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of the shares of such series, plus an amount equal to all dividends, accrued thereon to the date of final distribution to such holders. If, upon any liquidation, dissolution or winding up of the corporation, the assets of the corporation, or proceeds thereof, distributable among the holders of the shares of series preferred stock shall be insufficient to pay in full the preferential amount aforesaid, then such assets, or the proceeds thereof, shall be distributed among such holders ratably in accordance with the respective amounts which would be payable on such shares if all amounts payable thereon were paid in full unless otherwise expressly provided in the resolution or resolutions establishing any such series. For the purposes of this paragraph, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the corporation or a consolidation

or merger of the corporation with one or more corporations shall not be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary.

5. The term "junior stock", as used in relation to the series preferred stock, shall mean the common stock and any other class or series of stock of the corporation hereinafter authorized which by its term shall rank junior to the series preferred stock as to dividends and as to the distribution of assets on liquidation.

6. Before the corporation shall issue any shares of series preferred stock of any series authorized as hereinbefore provided, a certificate setting forth a copy of the resolution or resolutions with respect to such series adopted by the Board of Directors of the corporation pursuant to the foregoing authority vested in said Board shall be made, filed and recorded in accordance with the then applicable requirements, if any, of the laws of the State of Delaware, or, if no certificate is then so required, such certificate shall be signed and acknowledged on behalf of the corporation by its President or Vice President and its corporate seal shall be affixed thereto and attested by its Secretary or an Assistant Secretary and such certificate shall be filed and kept on file at the registered office of the corporation in the State of Delaware and in such other place or places as the Board of Directors shall designate.

7. Shares of any series of series preferred stock which shall be issued and thereafter acquired by the corporation through purchase, redemption, conversion or otherwise, shall return to the status of authorized but unissued series preferred stock of the same series unless otherwise provided in the resolution or resolutions of the Board of Directors. Unless otherwise provided in the resolution or resolutions of the Board of Directors providing for the issue thereof, the number of authorized shares of stock of any such series may be increased or decreased (but not below the number of shares thereof then outstanding) by resolution or resolutions of the Board of Directors and the filing of a certificate complying with the requirements referred to in subparagraph 6 above. In case the number of shares of any such series of series preferred stock shall be decreased, the shares representing such decrease shall, unless otherwise provided in the resolution or resolutions of the Board of Directors providing for the issuance thereof, resume the status of authorized but unissued series preferred stock, undesignated as to series.

II. Common Stock

1. Except as otherwise required by law and the provisions of this Certificate of Incorporation and except as provided by the resolution or resolutions of the Board of Directors creating or amending any series of the series preferred stock, the holders of the common stock of the corporation shall possess full voting power for the election of directors and for all other purposes and each holder thereof shall be entitled to one vote for each share held by such holder.

2. Subject to all of the rights of the series preferred stock or any series thereof, the holders of the common stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available therefor, dividends payable in cash, stock or otherwise.

3. Upon any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, and after the holders of the series preferred stock of each series shall have been paid in full the amounts to which they respectively shall be entitled, or a sum sufficient for such payment in full shall have been set aside, the remaining net assets of the corporation shall be distributed pro rata to the holders of the common stock in accordance with their respective rights and interest, to the exclusion of the holders of the series preferred stock.

ARTICLE V

REGISTERED OFFICE AND REGISTERED AGENT

The street address of the registered office of the corporation is Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE VI

POWERS

The following provisions are inserted for the management of the business and for the conduct of the affairs of the corporation, and it is expressly provided that they are intended to be in furtherance and not in limitation or exclusion of the powers conferred by the statutes of the State of Delaware.

(a) The number of directors of the corporation shall be fixed from time to time by, or in the manner provided in, the By-Laws.

(b) The Board of Directors shall have power from time to time to fix and to determine and vary the amount of the working capital of the corporation and to direct and determine the use and disposition of any surplus or net profits over and above the capital as determined pursuant to, and subject to, the provisions of the General Corporation Law of Delaware; and in its discretion the Board of Directors may use and apply any such surplus or accumulated profits in purchasing or acquiring bonds, debentures, notes, or other obligations or securities of the corporation or shares of its own stock of any class so far as may be permitted by law, to such extent and in such manner and upon such terms as the Board of Directors shall deem expedient, but any such bonds, debentures, notes, obligations, securities or stock so purchased or acquired (together with any stock or securities acquired in satisfaction of a debt or otherwise), may be resold. Nothing herein contained, however, shall be held to limit the general power of the corporation to apply any other funds or assets to the purchase or acquisition or retirement of its stock, bonds, debentures, notes or other obligations or securities.

(c) The Board of Directors, subject to the applicable provisions of the General Corporation Law of Delaware, may from time to time determine whether and to what extent, and at what times and places and under what conditions and regulations the accounts and books of the corporation or any of them shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account, book or document of the corporation, except as conferred by law or as authorized by the Board of Directors or by resolution of the stockholders.

(d) The books of the corporation may be kept within or without the State of Delaware at such place or places as may be designated from time to time by the Board of Directors. Elections of directors need not be by written ballot unless the By-Laws of the corporation shall so provide.

(e) The Board of Directors may authorized and cause to be executed mortgages, deeds of trust, pledges and liens upon the real and personal property of the corporation, without limitation as to amount or otherwise.

(f) The Board of Directors may make, alter or repeal the By-Laws of the corporation except as otherwise provided therein.

(g) The Board of Directors may determine, from time to time, the amount of compensation which shall be paid to its members. The Board shall also have power, in its discretion, to provide for and to pay directors rendering unusual or exceptional services to the corporation special compensation appropriate to the value of such services as determined by the Board of Directors from time to time.

(h) In addition to the powers and authorities hereinbefore or by statute expressly conferred upon it, the Board of Directors is hereby empowered to exercise all such powers and to do all such acts and things as may be exercised or done by the corporation; subject, nevertheless, to the provisions of the statutes of Delaware, of this certificate of incorporation and of any By-Laws from time to time made by the stockholders; provided, however, that no By- Laws so made shall invalidate any prior act of the Board of Directors which would have been valid if such By-Laws had not been made.

ARTICLE VII

COMPROMISE OR ARRANGEMENT

Whenever a compromise or arrangement is proposed between the corporation and its creditors or any class of them and/or between the corporation and its stockholders or any class of them, any court

of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for the corporation under the provisions of Section 291 of Title 8 of the Delaware Code or the application of trustees in dissolution or of any receiver or receivers appointed for the corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or the stockholders or class of stockholders of the corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the corporation, as the case may be, and also on the corporation.

ARTICLE VIII

INDEMNIFICATION

The Corporation shall, to the extent required, and may, to the extent permitted, by Section 102 and Section 145 of Delaware General Corporation Law as amended from time to time, indemnify and reimburse all persons whom it may indemnify and reimburse pursuant thereto. With respect to acts or omissions occurring on or after April 27, 1987, no director shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided, however, that this provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the Delaware General Corporation Law; or (iv) for any transaction from which the director derived an improper personal benefit.

Notwithstanding the foregoing, the indemnification provided for in this ARTICLE VIII shall not be deemed exclusive of any other rights to which those entitled to receive indemnification or reimbursement hereunder may be entitled under any By-Law of this Corporation, agreement, vote or consent of stockholders or disinterested directors or otherwise.

ARTICLE IX

AMENDMENT

The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE X

CLASSIFIED BOARD OF DIRECTORS

Commencing with the annual election of directors by the stockholders of the corporation in 1993, the directors of the corporation shall be divided into three classes: Class I, Class II and Class III, each such class, as nearly as possible, to have the same number of directors. The term of office of the initial Class I directors shall expire at the annual election of directors by the stockholders of the corporation in 1994, the term of office of the initial Class II directors shall expire at the annual election of directors by the stockholders of the corporation in 1995, and the term of office of the initial Class III directors shall expire at the annual election of directors by the stockholders of the corporation in 1996; and in all cases as to each director until such director's successor shall be elected and shall qualify. At each annual election of the directors by the stockholders of the corporation held after 1993, the number of directors equal to the number of directors of the class whose term expires at the time of such meeting

(or, if less, the number of directors properly nominated and qualified for election) shall be elected to hold office until the third succeeding annual meeting of stockholders after their election, or thereafter when their respective successors in each case are elected by the stockholders and qualify.

ARTICLE XI

ANNUAL AND SPECIAL MEETING OF STOCKHOLDERS

Any action required or permitted to be taken by the holders of the capital stock of the corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

QuickLinks

[Exhibit 3.1](#)

CERTIFICATIONS

I, Mogens C. Bay, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 28, 2009 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, 2009

QuickLinks

[Exhibit 31.1](#)

I, Terry J. McClain, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 28, 2009 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/ TERRY J. MCCLAIN

Terry J. McClain
Senior Vice President and Chief Financial Officer

Date: April 29, 2009

QuickLinks

[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 28, 2009 (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 2009.

/s/ MOGENS C. BAY

Mogens C. Bay
Chairman and Chief Executive Officer

Date: April 29, 2009

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, Terry J. McClain, Senior 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 28, 2009 (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 2009.

/s/ TERRY J. MCCLAIN

Terry J. McClain
Senior Vice President and Chief Financial Officer

Date: April 29, 2009

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[Exhibit 32.1](#)