

ANNUAL REPORT 2003

valmont 

Conserving Resources. Improving Life.

GLOBAL LEVERAGE AT WORK



IN 2004, VALMONT CELEBRATES THE 50TH ANNIVERSARY OF OUR FOUNDING OF THE CENTER PIVOT IRRIGATION INDUSTRY.

GLOBAL LEVERAGE.

The Valmont Advantage.

GLOBAL POPULATION GROWTH AND INTERDEPENDENT ECONOMIES

GENERATE OPPORTUNITIES... AND COMPETITION. TO GROW OUR INDUSTRY LEADERSHIP,

WE LEVERAGE OUR ENGINEERING CAPABILITIES AND OUR MULTINATIONAL MANUFACTURING

AND DISTRIBUTION NETWORKS – AND WE DELIVER SUPERIOR PRODUCTS WORLDWIDE IN A TIMELY

AND COST-EFFECTIVE MANNER. OUR STRONG GLOBAL RESOURCES SET US APART FROM THE COMPETITION.

OUR MARKETS ARE SOLID. THE DEMAND FOR HIGHLY ENGINEERED PRODUCTS IS GROWING. THE NEED

TO CONSERVE RESOURCES IS GREATER THAN EVER. AND IN EVERY AREA OF OUR BUSINESS,

OUR PEOPLE WORK TIRELESSLY TO PRODUCE THE BEST RESULTS FOR OUR

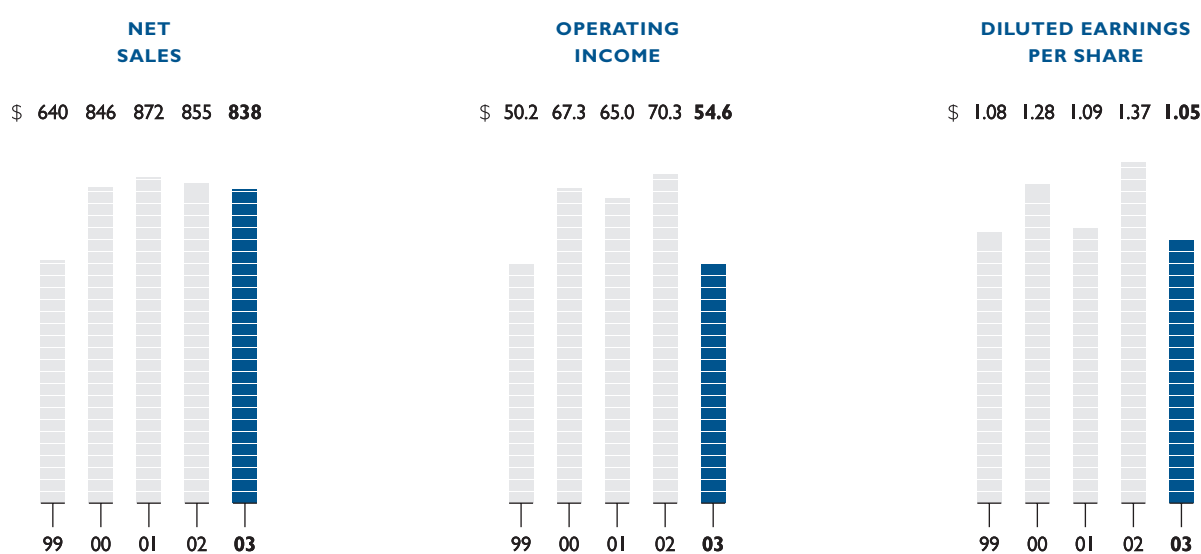
CUSTOMERS, OUR COMPANY, OUR SHAREHOLDERS, OUR WORLD.

VALMONT. CONSERVING RESOURCES. IMPROVING LIFE.

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Financial Highlights

Dollars in millions, except per share amounts	2003	2002	2001
OPERATING RESULTS			
Net sales	\$ 837.6	\$ 854.9	\$ 872.4
Operating income	54.6	70.3	65.0
Net earnings	25.5	33.6	26.7
Diluted earnings per share	1.05	1.37	1.09
Dividends per share	0.315	0.290	0.260
FINANCIAL POSITION			
Shareholders' equity	\$ 265.5	\$ 242.0	\$ 225.8
Long-term debt as a % of invested capital ¹	30.9%	36.8%	41.9%
OPERATING PROFITS			
Gross profit as a % of net sales	24.8%	27.1%	24.9%
Operating income as a % of net sales	6.5%	8.2%	7.5%
Net earnings as a % of net sales	3.0%	3.9%	3.1%
Return on beginning equity	10.5%	14.9%	13.9%
Return on invested capital ¹	7.4%	9.7%	8.6%
YEAR-END DATA			
Shares outstanding (000)	23,825	23,883	24,477
Approximate number of shareholders	5,400	5,500	5,500
Number of employees	5,074	5,234	5,342



¹See footnote (2) on page 30.

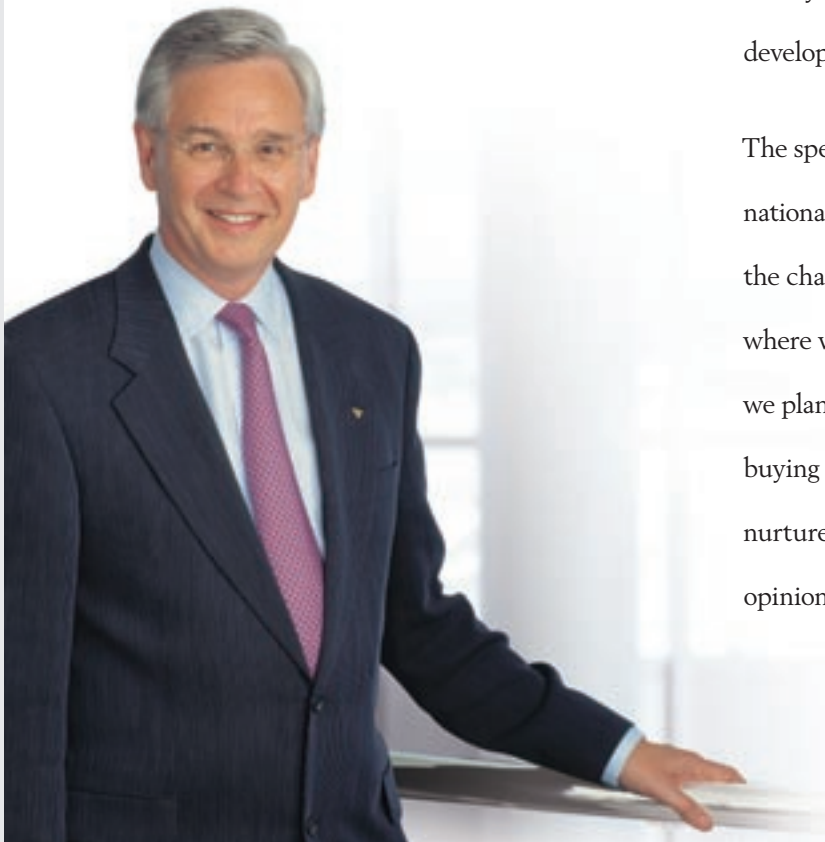
GLOBAL LEVERAGE AT WORK

Leveraging our capabilities on a global scale is the theme of this year's Annual Report. Our "Global Leverage at Work" symbol is highlighted throughout this report.

What do we mean by "Global Leverage at Work?"

Let me address each word separately, starting with "Global." The drivers for our businesses are truly global. The needs for water conservation and infrastructure development are as important in international markets as they are in our home market. We believe that we can create shareholder value by taking abroad the products and services we develop for the U.S. market, and by bringing back to the U.S. product lines developed in our international markets.

The speed with which we have expanded internationally has been tempered by acknowledging the challenges of entering cultures and countries where we have little experience. We like to say we plant trees internationally as opposed to buying forests. It takes resources and time to nurture each tree to its potential, but in our opinion it is a more prudent way to proceed.



For 10 years our strategy for growth has been based on “Leverage” of product lines, market knowledge, and skill sets. An example of leveraging a product line is taking the center pivot to markets around the world. An example of market knowledge leverage is adding aluminum lighting and traffic poles to the steel product line. When we developed our coatings division, we leveraged a skill set, our galvanizing expertise, which we developed internally over decades as a cost center.

The word “Work” is included for a reason. When we travel around the world, we discover many instances where Valmont employees find better ways of doing things and cooperating across borders. However, we must leverage these opportunities and actively drive processes for our customers to benefit even more from our skill sets, global plant network, and our ability to source materials globally as availability and foreign exchange rates change. Only then can we realize the significant advantages of being a worldwide corporation.

I look forward to keeping you updated on these initiatives, which I am convinced are of significant strategic importance. We believe our global reach gives us an opportunity to build competitive advantages, as most of the companies we compete with are local or regional in nature.

2003

Financially, 2003 was a disappointing year. Net earnings and earnings per share dropped nearly 25 percent on slightly lower revenues.

The profitability of our utility business was severely impacted by extreme pricing pressures for utility structures. This was due in large part to the weak wireless communications market. Struggling manufacturers of these products continued to attempt to gain a foothold and increase their sales through low pricing. Our coatings business struggled this year as internal volumes fell and weakness in the business conditions of our customer base persisted. We countered those challenges with a solid performance in our lighting and traffic businesses, particularly in North America.

China was another bright spot. Valmont recognized the significant potential of this market early on, and we have now realized seven consecutive years of improved sales and profits in our operation. China continues to invest heavily in infrastructure, creating demand for structures for wireless communication, utility, and lighting and traffic. Our Shanghai facility and our excellent organization in China provide us with a solid platform for further growth.

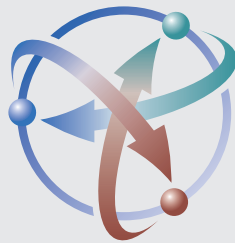
The year 2003 was a difficult year and a year of transition for our wireless communication business. Early in the year we combined our wireless communication and pole divisions into the engineered structures division. This move allowed us to expand our product line and provide new products, such as overhead sign structures. We now have a lower expense structure and a more streamlined organization that better leverages our engineering and manufacturing capabilities.

Our tubing business remained solidly profitable in 2003. We have succeeded in this arena by finding niche products that require high levels of engineering and manufacturing skill. We will continue this strategy of providing exceptional customer service in tubing, as we do in every one of our businesses.

Our irrigation business excelled in 2003.

We achieved record operating income due to the record performance of our international irrigation business, despite an almost non-existent market in the Middle East. This region formed an important part of our business in the past, but is now severely depressed due to political unrest. Leveraging our manufacturing capacity and global market presence enabled us to succeed in our global irrigation business.

A Valley® center pivot is featured on the cover of this year's Annual Report. In 2004 we will celebrate the 50th anniversary of our founding of the center pivot industry. This engineering marvel has revolutionized irrigated agriculture worldwide and has been characterized in *Scientific American* magazine as "the most



GLOBAL LEVERAGE *at work*

significant mechanical innovation in agriculture since the replacement of draft animals by the tractor.” Valmont founded this industry and then went on to leverage its experience and expertise to build a diverse and successful global business.

Robert B. Daugherty, the founder of our company, has decided to retire from our Board of Directors after serving for 57 years. Bob acquired the patent for the center pivot in the early 1950s and developed a commercial product that debuted in 1954. His vision laid the groundwork for a global industry. He literally changed the surface of the earth. The green circles you see when flying over many parts of the world are made by center pivots. Mechanized irrigation equipment simultaneously conserves water resources and increases yields, while producing food and fiber for mankind. Bob has been the guiding force in the evolution of our company and all of us at Valmont owe him an enormous debt of gratitude. We are determined to extend his visionary legacy into the future as Valmont continues to grow and adapt to the global business environment.

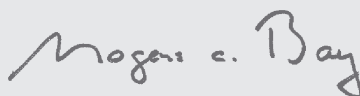
OUTLOOK FOR 2004

Looking to the year 2004, we expect improved performance. In the North American irrigation business, increasing corn, soybean and cotton prices should be supportive both to farm income and the irrigation business. We do not yet expect a recovery in the Middle East and other international markets may not achieve the record levels seen in 2003. In our infrastructure businesses, we look for better results overall.

While we face uncertainties in steel pricing and availability, as well as the unknown timing of new government energy and highway legislation, we believe that on balance, we should perform better. Our coatings business should improve as the industrial economy strengthens. Our tubing business is off to a good start.

I want to thank the entire Valmont team for its continued dedication to Valmont's success. One area of significant improvement in 2003 was in safety performance where our focus, systems and processes continue to pay dividends. Our goal is to be world class in safety, and thanks to the Valmont team, we are making excellent progress.

Sincerely,

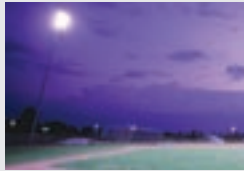


MOGENS C. BAY
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

AT A GLANCE.

INFRASTRUCTURE

Engineered Support Structures



LIGHTING AND TRAFFIC POLES AND STRUCTURES

Area lighting poles for parking lots and public areas. Sports lighting structures for arenas and stadiums. Decorative lighting poles. Traffic and sign structures. Street and high-mast lighting poles.

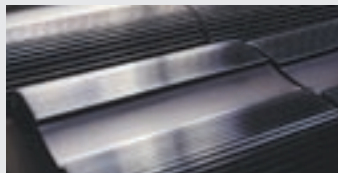
UTILITY POLES AND STRUCTURES

Utility transmission and distribution poles. Utility substation structures.

SPECIALTY STRUCTURES

Monopoles, towers and structures for cellular, PCS, broadcast, microwave and two-way communications. Wireless communication components. Minimum visual impact structures. Overhead sign structures.

Coatings



Galvanizing, anodizing, powder coatings and integrated graphics.

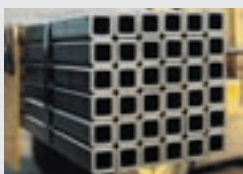
AGRICULTURE

Irrigation and Water Management



Mechanized irrigation systems. Wastewater consulting services.

Tubing



Custom-made tubing used for mufflers, fire extinguishers, grain augers, railings, fences and other industrial applications.



A growing population has growing needs.

CONSERVING RESOURCES. IMPROVING LIFE.



From delivering precious water to croplands, to manufacturing poles and structures that dependably carry electricity, light our way, guide traffic and allow us to communicate with one another, Valmont engineers design products that conserve resources and enable people to live better. We produce and distribute them efficiently, cost-effectively and globally.





WE LIGHT THE WAY.

Valmont's decorative light poles merge style, durability and economy, making historical neighborhoods safer and more attractive.

What's old is new again. People everywhere are proud of their history and culture, and they want cities to reflect their traditions—and be safe and inviting. Our decorative light poles help do that, merging style with durability and economy. They illuminate walkways and set the tone in historical neighborhoods throughout the world.



We leverage capacity.

FOR A SINGLE MULTINATIONAL LIGHTING CUSTOMER, FOR EXAMPLE, WE MANUFACTURE CUSTOM LIGHTING STRUCTURES ON THREE DIFFERENT CONTINENTS. THIS GIVES US AN ADVANTAGE OVER LOCAL MANUFACTURERS AND ALLOWS US TO BALANCE CAPACITY FOR OPTIMAL COST EFFECTIVENESS. IT'S A WINNING COMBINATION THAT KEEPS CUSTOMERS COMING BACK.





WE EASE THE JOURNEY.

Valmont traffic and lighting structures help make life on the road safer and more enjoyable for travelers on a global scale.

Every minute of every day, the pulse of life travels through the streets and highways of a growing world. For ease of travel—and more importantly, for safety—people on the move are increasingly dependent on well-managed traffic systems. Doing their part, Valmont engineers design and build traffic and lighting structures that illuminate and streamline the thoroughfares of the world.



We leverage global manufacturing presence.

WITH MANUFACTURING FACILITIES FROM CHINA TO CANADA, WE CAN MEET THE NEEDS OF OUR GLOBAL CUSTOMERS WITH HIGHLY ENGINEERED STRUCTURES CUSTOM TAILORED FOR EACH APPLICATION. OUR ABILITY TO SOURCE OUR PRODUCTS FROM MULTIPLE PLANTS ASSURES OUR CUSTOMERS THAT THEY'LL HAVE JUST THE PRODUCTS THEY NEED, WHERE AND WHEN THEY NEED THEM.





WE BRING THE POWER.

*From generation to
distribution, Valmont
poles and substation
structures help supply
the power that energizes
modern life.*

All around the world, people need electricity for the simplest – and the grandest – of tasks. From generation to distribution, Valmont products provide the framework and support structures that bring power to people. Our poles and substation structures are designed and manufactured for years of service. Structures that last. In all climates, under all conditions, Valmont poles and structures stand tall.



We leverage local market knowledge.

RAPID BUILD-OUT OF POWER TRANSMISSION INFRASTRUCTURE IS A GLOBAL TREND WITH REGIONAL REQUIREMENTS. THE ABILITY TO UNDERSTAND LOCAL MARKET NEEDS AND TO BALANCE GLOBAL CAPACITY ALLOWS VALMONT TO PROVIDE THE BEST COST, AND AT THE SAME TIME MEET LOCAL DESIGN REQUIREMENTS – AN ABILITY OUR COMPETITORS CANNOT EASILY MATCH.





WE OPEN CHANNELS.

Valmont provides the specialized structures that make the miracle of modern wireless communications possible.

Wireless technology has changed the way we connect with one another. You can send and collect email, data . . . even photos . . . from your cell phone, laptop or PDA. But these hand-held miracles depend on an extensive infrastructure to work their portable magic. From cellular, voice and data to broadcast and two-way radio capabilities, Valmont provides the infrastructure backbone that helps open the channels of communication around the world.



We leverage complementary skills.

WHEN OUR SPECIALTY STRUCTURES DIVISION DEVELOPED INNOVATIVE NEW SIGN AND SUBSTATION STRUCTURES, OUR UTILITY, LIGHTING AND TRAFFIC GROUPS SAW A PERFECT OPPORTUNITY TO MARKET THEM THROUGH THEIR DISTRIBUTION CHANNELS. THE RESULT – NEW AND BETTER PRODUCTS DELIVERED QUICKLY TO AN EXPANSIVE NEW MARKET.





WE BUILD LEGACIES.

Rudy Meduna and his Valley® brand water-drive irrigation system share a proud legacy. Both are going strong after nearly 50 years of hard work.

Our first center pivot irrigation equipment was revolutionary. But did the Valmont engineers in the 1950s and 60s believe that more than 50 years later those machines would still be working? Yes, that's what they were built to do. From generation to generation, technology has changed but principles remain the same. And Valmont engineers continue to lead the industry with revolutionary new irrigation systems that are built to perform. Period.



We leverage our legacy.

WE APPLY THE LEGACY OF INNOVATION THAT HAS MADE VALMONT'S VALLEY IRRIGATION THE INDUSTRY LEADER TO OUR OTHER BUSINESSES. THIS CULTURE OF INNOVATION AND PRECISION ALLOWS US TO CREATE PRODUCTS THAT ARE THE BEST IN EVERY MARKET WE SERVE.





WE CONSERVE RESOURCES.

Valley's modern irrigation systems are designed to work as dependably for Rudy Meduna's sons and grandsons as they've worked for him for half a century.

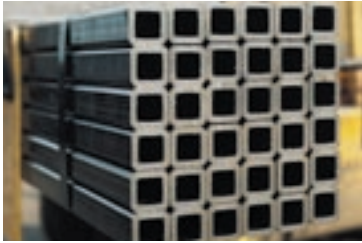
Conserving water and increasing crop yields have never been more important, yet modern irrigation technology, incorporating remote computer operation for precise applications of water and chemicals, is used on less than five percent of irrigated land outside the U.S. Only Valmont has the global presence to bring mechanized irrigation technology to farmers around the world, enabling them to grow more food while conserving precious water.



We leverage global market presence.

IN ADDITION TO THE U.S., VALMONT MANUFACTURES IRRIGATION EQUIPMENT IN OTHER HIGH-DEMAND MARKETS – SPAIN, BRAZIL, SOUTH AFRICA AND THE MIDDLE EAST. WE LEVERAGE CAPACITY AND COSTS FOR THE COMPANY AS A WHOLE WHILE QUICKLY PROVIDING MANUFACTURING RESOURCES TO SUPPORT STRONG MARKETS ANYWHERE IN THE WORLD.





WE SHAPE THE FUTURE.

*Designed for safety,
durability and reliability,
Valmont's tubing
products—from grain
augers to mufflers to
decorative fencing—have
evolved into specialized
products used in ways
you would never expect.*

As we refined our tubing expertise in our irrigation business, we quickly saw opportunities in other markets. We've evolved to designing and producing a wide variety of specialized tubing products—some you'd never expect. From pneumatic networks embedded in the walls of banks and hospitals to motorcycle exhaust systems, we excel at meeting engineering challenges for pipe, pole and tubing customers worldwide. If it's cylindrical and steel and a customer wants it, we can probably make it.



We leverage basic products and skills.

**THE APPLICATIONS FOR TUBING ARE ENDLESS, AND SO IS THE
RESOURCEFULNESS OF VALMONT ENGINEERS. VALMONT LEADS THE
WAY IN ENGINEERING SOLUTIONS FOR DIVERSE REQUIREMENTS ...
EVOLVING EXISTING PRODUCTS AND MARKETS AND FINDING NEW
WAYS TO MEET CUSTOMER NEEDS.**



TO CROSS
STREET
PUSH BUTTON
WAIT FOR
WALK SIGNAL



WE BRAVE THE ELEMENTS.

Valmont's protective coatings, like anodizing and galvanizing, help make products last longer in all kinds of weather and conditions.

Valmont products have always been made to last. Irrigation equipment we made in the early 1950s is still in use today, and many of the products we're making now will be used 50 years from now. Why? Because of well-planned design, high-quality steel manufacturing, and protective coatings like anodizing and galvanizing that make products last longer. As long as people create products that need protective coatings, our coatings business will add value for our customers.



We leverage high company standards.

VALMONT'S COMMITMENT TO QUALITY AND DURABILITY IS ONE SHARED BY OUR EMPLOYEES WORLDWIDE. OUR MANUFACTURING PLANTS AROUND THE WORLD KNOW HOW HIGH WE'VE SET THE BAR, AND WE EXPECT THE SAME EFFORT FROM OUR LOCAL SUPPLIERS TO ACHIEVE UNIFORMLY HIGH QUALITY COMPANY WIDE.





WE BREAK NEW GROUND.

Valmont engineers have refined and reengineered wind tower technology to simplify installation.

Call them the winds of change. To solve the world's energy shortage, alternative sources that provide electric power and conserve natural resources are desperately needed. Valmont has reengineered wind tower technology by designing a support pole with its own lifting device, eliminating the need for huge cranes and open construction sites to install wind generators – helping to bring clean, low-impact energy to more places on earth than ever before.



We leverage innovative engineering.

DESIGNING NEW TECHNOLOGY AND ADAPTING EXISTING PRODUCTS TO NEW AND UNIQUE ENGINEERING CHALLENGES ARE PARTS OF OUR CULTURE. OUR ABILITY TO LEVERAGE OUR ENGINEERING EXPERTISE TO SOLVE UNIQUE PROBLEMS AROUND THE WORLD – LIKE OUR WIND ENERGY SUPPORT STRUCTURE – IS ANOTHER WAY VALMONT MAINTAINS ITS COMPETITIVE ADVANTAGE.

LEVERAGE ON A GLOBAL SCALE.



WE'VE MADE A GLOBAL COMMITMENT TO LEVERAGE OUR PRODUCT AND MARKET STRENGTHS AND CAPABILITIES FOR THE BENEFIT OF OUR SHAREHOLDERS, OUR INDIVIDUAL BUSINESSES AND CUSTOMERS WORLDWIDE. THIS IS THE STRENGTH OF VALMONT AND THE CONTINUING FOUNDATION FOR OUR FUTURE.

VALMONT. CONSERVING RESOURCES. IMPROVING LIFE.



BOARD OF DIRECTORS

Mogens C. Bay
Chairman and Chief Executive Officer
Valmont Industries, Inc.
Director Since 1993

Robert B. Daugherty
Founder and Chairman Emeritus
Valmont Industries, Inc.
Director Since 1947

John E. Jones
Retired Chairman, President
and Chief Executive Officer
CBI Industries, Inc.
Director Since 1993

Stephen R. Lewis, Jr.
President Emeritus and
Professor of Economics
Carleton College
Director Since 2002

Thomas F. Madison
President
MLM Partners
Director Since 1987

Charles D. Peebler, Jr.
Retired Chairman Emeritus
True North Communications, Inc.
Director Since 1999

Walter Scott, Jr.
Chairman
Level 3 Communications, Inc.
Director Since 1981

Kenneth E. Stinson
Chairman and Chief
Executive Officer
Peter Kiewit Sons', Inc.
Director Since 1996

Audit Committee
Walter Scott, Jr., Chairman
John E. Jones
Charles D. Peebler, Jr.

Compensation Committee
Thomas F. Madison, Chairman
Stephen R. Lewis, Jr.
Charles D. Peebler, Jr.

Governance and Nominating Committee
Thomas F. Madison, Chairman
Stephen R. Lewis, Jr.



Left. From top:

Kenneth E. Stinson
Walter Scott, Jr.
Mogens C. Bay

Right. From top:

John E. Jones
Charles D. Peebler, Jr.
Thomas F. Madison
Stephen R. Lewis, Jr.
Robert B. Daugherty

FINANCIAL
AND
CORPORATE
INFORMATION

Selected 11-Year Financial Summary

(Dollars in thousands, except per share amounts)

	2003	2002	2001	2000
OPERATING DATA				
Net sales	\$ 837,625	854,898	872,380	846,129
Operating income	54,623	70,289	65,021	67,256
Earnings from continuing operations	25,853	34,129	26,693	30,400
Earnings from discontinued operations	—	—	—	—
Cumulative effect of accounting change	(366)	(500)	—	—
Net earnings	\$ 25,487	33,629	26,693	30,400
Depreciation and amortization	\$ 34,597	33,942	36,324	30,270
Capital expenditures	17,679	13,942	25,652	46,456
Effective tax rate	36.3%	36.5%	36.9%	36.3%
PER SHARE DATA				
Earnings:				
Basic	\$ 1.07	1.38	1.10	1.31
Diluted	1.05	1.37	1.09	1.28
Cash dividends	0.315	0.290	0.260	0.260
INVESTED CAPITAL				
Total assets	\$ 604,797	578,571	588,897	600,135
Less: accounts payable	(63,256)	(55,198)	(57,027)	(63,005)
Less: accrued expenses	(55,856)	(69,828)	(58,042)	(56,005)
Less: dividends payable	(1,921)	(1,792)	(1,598)	(1,516)
Total invested capital	\$ 483,764	451,753	472,230	479,609
FINANCIAL POSITION				
Working capital	\$ 169,568	154,112	145,550	145,575
Property, plant and equipment, net	190,103	193,175	209,580	208,272
Total assets	604,797	578,571	588,897	600,135
Long-term debt, including current installments	149,662	166,391	198,008	205,472
Shareholders' equity	265,494	242,020	225,811	191,911
KEY FINANCIAL MEASURES²				
Return on beginning shareholders' equity	10.5%	14.9%	13.9%	17.8%
Return on invested capital	7.4%	9.7%	8.6%	10.7%
Long-term debt as a percent of invested capital	30.9%	36.8%	41.9%	42.8%
YEAR END DATA				
Shares outstanding (000)	23,825	23,883	24,477	23,320
Approximate number of shareholders	5,400	5,500	5,500	5,500
Number of employees	5,074	5,234	5,342	5,503

¹ Per share amounts and number of shares reflect the two-for-one stock split in 1997.

² Operating Income after tax is calculated as ((Operating income - (Operating income multiplied by the Effective tax rate)).

Return on beginning shareholders' equity is calculated as Net earnings divided by the prior year's ending Shareholders' equity.

Average invested capital is calculated as (prior year Invested capital plus current year Invested capital) divided by 2.

Return on invested capital is calculated as Operating income after-tax divided by the average invested capital.

Long-term debt as a percent of invested capital is calculated as Long-term debt, including current installments divided by Total invested capital.

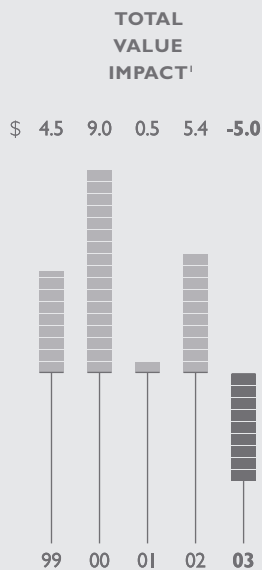
	1999	1998 ¹	1997	1996	1995	1994	1993
	639,869	630,858	622,506	644,531	544,642	501,740	464,274
	50,176	47,752	61,990	36,644	41,831	31,679	16,768
	26,367	27,636	37,544	21,248	24,759	18,887	7,551
	–	–	–	–	–	–	4,637
	–	–	–	–	–	–	(4,910)
	26,367	27,636	37,544	21,248	24,759	18,887	7,278
	21,949	19,843	16,437	14,832	12,361	11,018	10,907
	37,783	29,667	39,115	35,559	34,772	23,535	17,089
	36.9%	36.5%	36.3%	35.6%	35.7%	36.1%	36.4%
	1.09	1.04	1.36	0.78	0.92	0.70	0.27
	1.08	1.02	1.33	0.76	0.90	0.69	0.27
	0.260	0.250	0.220	0.190	0.150	0.150	0.150
	419,335	406,957	368,052	341,648	308,710	283,443	261,275
	(46,753)	(45,996)	(48,717)	(43,699)	(46,900)	(44,504)	(33,333)
	(49,962)	(41,646)	(47,380)	(52,678)	(45,475)	(40,481)	(40,198)
	(1,524)	(1,607)	(1,555)	(1,366)	(1,017)	(866)	(865)
	321,096	317,708	270,400	243,905	215,318	197,592	186,879
	98,588	99,466	94,416	81,403	80,993	88,278	87,793
	173,920	157,447	140,834	120,579	113,532	89,201	75,501
	419,335	406,957	368,052	341,648	308,710	283,443	261,275
	108,622	96,218	28,060	29,573	36,687	43,242	44,076
	170,488	175,913	207,102	175,231	159,256	137,582	121,841
	15.0%	13.3%	21.4%	13.3%	18.0%	15.5%	6.1%
	9.9%	10.3%	15.4%	10.3%	13.0%	10.7%	5.6%
	33.8%	30.3%	10.4%	12.1%	17.0%	21.9%	24.4%
	23,354	24,721	27,641	27,330	27,120	26,990	26,972
	5,500	5,500	5,400	4,400	3,900	3,800	3,800
	3,948	3,869	3,751	4,868	4,166	3,946	4,152

The selected consolidated financial data set forth in the above table have been derived from the Company's consolidated financial statements. This data should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report form 10-K, and the Company's audited consolidated financial statements, including the notes thereto, and the other financial information included elsewhere in the Annual Report form 10-K filed with the Securities and Exchange Commission.

Financially, we have selected three principal factors that tell just how well we are managing the Company and the money invested in it.

These factors are: Total Value Impact (TVI) – a tool for estimating growth in shareholder value; return on invested capital – a yearly measure of our returns on money invested; and long-term debt as a percent of invested capital – a measure of the financial risk we are taking. The goals we have established for growth, return on invested capital and long-term debt leverage are appropriate for the industries in which we participate, yet challenging enough to demand the very best talents and performance of our management teams. In 2001, we replaced our earnings-per-share growth goal with one to grow TVI, which we believe is a more meaningful measure of growth in shareholder value.

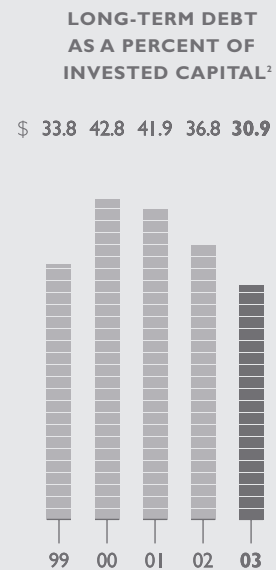
Financial OBJECTIVES



Objective
GROW TVI FROM YEAR TO YEAR



Objective
ACHIEVE A MINIMUM 10% AFTER-TAX RETURN ON INVESTED CAPITAL



Objective
MAINTAIN LONG-TERM DEBT AS A PERCENT OF INVESTED CAPITAL AT LESS THAN 40%

¹ TVI is calculated as Operating income after-tax minus the Average invested capital times 8.5% (see page 30). ² See footnote on page 30.

TVI works like a lens to focus managers and employees on the key aspects of the business that directly impact long-term growth and profitability.

There are three major components used to calculate TVI: after-tax operating profits, average-invested capital and the cost of capital. We subtract the cost of capital (average invested capital times the Company's cost of capital) from after-tax operating profits, and this residual is TVI. If the results of an investment, project or division performance do not contribute to TVI growth over time, we are not creating value for our shareholders. To motivate our managers to think and act with shareholder interests in mind, business unit bonuses are directly tied to increases in TVI.

Aligning management performance with shareholders' goals

TVI



TVI is calculated as operating income after-tax minus the average invested capital times 8.5%, the Company's cost of capital.

*Net Operating Profit After Taxes

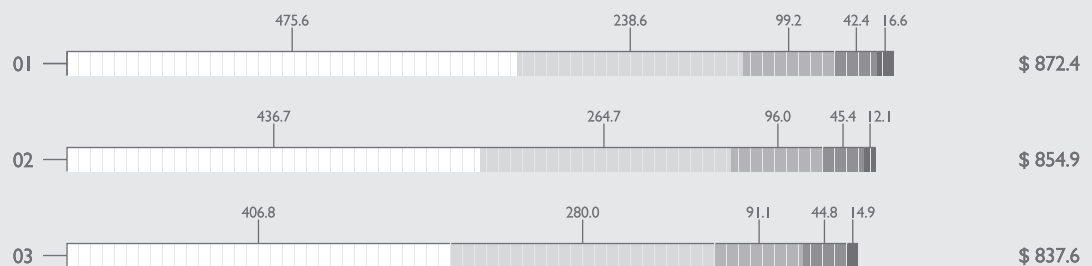
Segment Summary

(Dollars in millions)

	2003	2002	2001	CHANGE 2003-2002	CHANGE 2002-2001
NET SALES:					
Infrastructure businesses:					
Engineered Support Structures	\$ 406.8	\$ 436.7	\$ 475.6	-6.8%	-8.2%
Coatings	\$ 91.1	\$ 96.0	\$ 99.2	-5.1%	-3.2%
Total Infrastructure businesses	\$ 497.9	\$ 532.7	\$ 574.8	-6.5%	-7.3%
Agricultural businesses:					
Irrigation	\$ 280.0	\$ 264.7	\$ 238.6	5.8%	10.9%
Tubing	\$ 44.8	\$ 45.4	\$ 42.4	-1.2%	7.1%
Total Agricultural businesses	\$ 324.8	\$ 310.1	\$ 281.0	4.7%	10.4%
Other	\$ 14.9	\$ 12.1	\$ 16.6	23.2%	-27.5%
Net Sales	\$ 837.6	\$ 854.9	\$ 872.4	-2.0%	-2.0%
OPERATING INCOME:					
Infrastructure businesses:					
Engineered Support Structures	\$ 14.8	\$ 31.2	\$ 32.5	-52.5%	-4.1%
Coatings	\$ 5.4	\$ 10.7	\$ 9.4	-49.8%	14.0%
Total Infrastructure businesses	\$ 20.2	\$ 41.9	\$ 41.9	-51.8%	0.0%
Agricultural businesses:					
Irrigation	\$ 31.1	\$ 24.0	\$ 15.5	29.2%	55.6%
Tubing	\$ 5.7	\$ 6.5	\$ 5.8	-11.7%	11.4%
Total Agricultural businesses	\$ 36.8	\$ 30.5	\$ 21.3	20.5%	43.6%
Other	\$ (2.4)	\$ (2.1)	\$ 1.8	-10.2%	-216.7%
Operating Income	\$ 54.6	\$ 70.3	\$ 65.0	-22.3%	8.1%

SEGMENT SALES

- Engineered Support Structures
- ▒ Irrigation
- ▓ Coatings
- Tubing
- Other



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Senior Vice President and
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E. Robert Meaney
Senior Vice President

Ann F. Ashford
Vice President
Human Resources

Steven G. Branscombe
Vice President
Information Technology

Mark C. Jaksich
Vice President
Corporate Controller

Walter P. Pasko
Vice President
Procurement

P. Thomas Pogge
Vice President
General Counsel and Secretary

Mark E. Treinen
Vice President
Business Development

ENGINEERED SUPPORT**STRUCTURES DIVISION**

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Keith A. Huffman
Vice President
Operations

Doug Kochenderfer
Vice President and General Manager
Specialty Structures

Richard M. Sampson
Vice President and General Manager
Utility Products and Services

Thomas F. Sanderson
Vice President and General Manager
International

Thomas J. Sutko
Vice President and General Manager
Commercial Lighting and Transportation
Products and Services

Philippe Guidez
President
Europe/Middle East/Africa

Klavs Guldager
General Manager
China

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Jeffrey Briggs
President

Richard S. Cornish
Vice President
Operations

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Thomas D. Spears
President

Duane Bier
Vice President
Operations

James L. Brown
Vice President
North American Sales

William G. Loughman III
Vice President
Parts and Service

Terry Rahe
President
Cascade Earth Sciences

TUBING DIVISION

Leonard M. Adams
Vice President and General Manager

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STOCK TRANSFER AGENT

AND REGISTRAR

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Send Certificates for Transfer
and Address Changes to:
The Bank of New York
Receive and Deliver Department
P.O. Box 11002
Church Street Station
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ANNUAL MEETING

The annual meeting of Valmont's shareholders will be held at 2:00 p.m. on Monday, April 26, 2004, at the Joslyn Art Museum in Omaha, Nebraska USA.

SHAREHOLDER AND INVESTOR RELATIONS

Valmont's common stock trades on the New York Stock Exchange (NYSE) under the symbol VMI.

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

We have also posted on our Web site our (1) Corporate Governance Principles, (2) charter for the Audit Committee, Compensation Committee, and Governance and Nominating Committee of the Board, (3) Code of Business Conduct, and (4) Code of Ethics for Senior Officers applicable to the Chief Executive Officer, Chief Financial Officer and Controller. Valmont shareholders may also obtain copies of these items at no charge by writing to:

Jeffrey S. Laudin
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FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. 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, actions and policy changes of domestic and foreign governments and other risks described from time to time in the Company's reports to the Securities and Exchange Commission are examples of factors, among others, that could cause results to differ materially from those described in the forward-looking statements. The Company cautions that any forward-looking statements included in this report are made as of the date of this report.

VMI
LISTED
NYSE



valmont 

Conserving Resources. Improving Life.

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