Conserving Resources. Improving Life.

ANNUAL REPORT 2014

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FINANCIAL HIGHLIGHTS

NET SALES

$1,976 $2,662 $3,030 $3,304 $3,123

2010 2011 2012 2013 2014

OPERATING INCOME

$178.4 $263.3 $382.3 $473.1 $357.7

2010 2011 2012 2013 2014

DILUTED EARNINGS PER SHARE

$3.57 $8.60 $8.75 $10.35 $7.09

2010 2011 2012 2013 2014

OPERATING RESULTS	**2014**	**2013**	**2012**
Dollars in millions, except per share amounts			
Net sales	$ 3,123.1	$ 3,304.2	$ 3,029.5
Operating income	357.7	473.1	382.3
Net earnings[1,4]	184.0	278.5	234.1
Diluted earnings per share	7.09	10.35	8.75
Dividends per share	1.375	0.975	0.855
FINANCIAL POSITION			
Shareholders' equity[2]	$ 1,201.8	$ 1,522.0	$ 1,349.9
Long-term debt as a % of invested capital[3]	36.4 %	22.3 %	23.9 %
OPERATING PROFITS			
Gross profit as a % of net sales	25.9 %	28.6 %	26.5 %
Operating income as a % of net sales	11.5 %	14.3 %	12.6 %
Net earnings as a % of net sales[1,4]	5.9 %	8.4 %	7.7 %
Return on beginning equity	12.1 %	20.6 %	20.4 %
Return on invested capital[3]	11.3 %	15.0 %	13.2 %
YEAR-END DATA			
Shares outstanding (000)	24,229	26,825	26,674
Approximate number of shareholders	2,500	2,500	2,500
Number of employees	11,321	10,769	10,543

1 Net earnings attributable to Valmont Industries, Inc.
2 Total Valmont Industries, Inc. shareholders' equity.
3 See Item 6 on Pages 22 through 25 of the attached Company's Form 10-K.
4 Fiscal 2014 included costs associated with refinancing of our long-term debt of $24.2 million after tax ($0.93 per share). Fiscal 2013 included $4,569 ($0.17 per share) in after-tax fixed asset impairment losses at Delta EMD Pty. Ltd. (EMD) and $12,011 ($0.45 per share) in losses associated with the deconsolidation of EMD.

2014 was a challenging year for Valmont, with both revenues and earnings declining. It was a telling reminder that we are in cyclical businesses.

Sharply lower agricultural commodity prices led to lower farm incomes and reduced the demand for our irrigation products, particularly in our home market. Our international irrigation activities, on the other hand, delivered improved results for the year.

Some pull-back in investments in the North American utility transmission grid, combined with capacity additions in the utility structures industry, led to a tougher pricing environment and a substantial downturn in the profitability of this segment.

Despite the lack of a long-term highway bill in the United States and generally reduced public investment in infrastructure in many of our world markets, our Engineered Infrastructure Products Segment improved their performance in 2014. This was mainly due to the acquisitions of Valmont SM in Denmark and Shakespeare in the US.

Our Coatings Segment continued to perform well in the US and in Southeast Asia, but our Australian galvanizing operations suffered from much lower demand as a consequence of the weakening Australian economy. With the exception of our irrigation activities, our businesses in Australia across several segments were all negatively impacted.

When we experience the kind of rapidly changing markets that we did in 2014, it makes us step back and reexamine our strategy, the same one that has not changed in 20 years and has served us well. We basically provide engineered products and services for infrastructure and agricultural markets.

I test the continued validity of Valmont's strategy by asking three key questions:

1. **Has anything changed to weaken the long-term global drivers in our markets? The answer is no!**

   Global population growth and increasing demands for more protein-enriched diets, as a result of growing economic prosperity in the developing world, puts increased pressure on the efficient use of a finite resource necessary to produce food: Water.

   Economic growth cannot be sustained without upgrading or building the world's infrastructure. Our structural product lines are well positioned to support this challenge, whether it is for the transmission of electricity, traffic and highway applications, wireless communications, or access systems.

2 Are new technologies threatening to displace our product lines? None are on the horizon!

To protect the world's steel infrastructure products there is no better process than hot dip galvanizing, and until someone figures out how to hold a light bulb, sign, signal or electric wire in the air without a support structure, we are confident of enduring demand for our structural products made of steel, aluminum, concrete, wood and composite materials. We are equally confident that our irrigation technology will continue to be the most efficient way to provide water for large-scale agriculture.

3 Have we protected or strengthened our market positions? The answer is yes!

Valmont remains a leader in all of our major global markets.

Therefore, we are confident that our strategy is solid and that our markets will continue to grow over time.

Looking to the short-term, we do not expect much positive change in our current markets for the year 2015. Consequently our focus must be on what we do control: reducing costs, improving productivity and a sharpened customer focus. We are working to improve our businesses to prepare us for when markets strengthen.

We reviewed our capital allocation priorities and publicized our philosophy in May of 2014. Important elements apart from funding organic growth, included a commitment to paying dividends on common shares in the range of 15% of prior year's net earnings over time, funding acquisitions which we believe will exceed our cost of capital in a reasonable period of time, and returning capital to shareholders through share repurchases. I look at share repurchases as an investment in the company we know the best. When we can acquire shares of Valmont at a valuation below what we may have to pay for an acquisition, it is a far less risky undertaking. Our capital allocation philosophy, in my opinion, strikes a prudent balance between returning excess capital to shareholders, while at the same time preserving financial flexibility to fund continued growth.

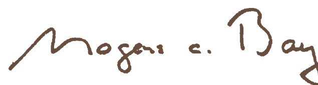
VALMONT'S VISION **Valmont is recognized throughout the world as an industry leader in engineered products and services for infrastructure, and water conserving irrigation equipment for agriculture. We grow our businesses by leveraging our existing products, markets and processes. We recognize that our growth will only create shareholder value if, at the same time, we exceed our cost of capital. Essential to our success is a company-wide commitment to customer service and innovation, and the ability to be the best cost producer for all products and services we provide. Recognizing that our employees are the cornerstone of our accomplishments, we pride ourselves on being people of passion and integrity who excel and deliver results.**

Our job is to maximize the value of each Valmont share over time. If we see limited growth opportunities in the short-term for the businesses we know and with which we are comfortable, and if we have strong cash flows, then spreading our earnings over fewer shares seems a wiser path to enhancing shareholder value than making acquisitions outside our comfort zone or at valuations which make exceeding our cost of capital more challenging.

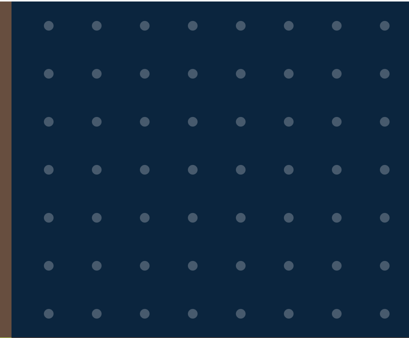
Valmont's employees around the world are the cornerstone of our successes and I continue to be impressed with their passion for what we do, and their commitment to operating with unquestionable integrity and to continuously improving how we serve our customers. Their drive to deliver results regardless of market conditions is impressive.

My biggest disappointment in 2014 was not our financial results. We had two fatalities in our facilities, one in Europe and one in China. Nothing is more important than ensuring that each and every person at Valmont goes home as safe and sound as when they arrived at work. Our focus on a safe working environment must continue to be at the very top of our priority list. Although our safety performance statistics continue to improve, we cannot be satisfied until no one gets hurt.

Thank you for your continued support and I look forward to updating you on our progress.



Mogens C. Bay
Chairman and Chief Executive Officer



VALMONT participates in the global industries for infrastructure and agriculture through four primary business segments: Engineered Infrastructure Products, Utility Support Structures, Coatings and Irrigation.

VALMONT AT A GLANCE

ENGINEERED INFRASTRUCTURE PRODUCTS

We design, engineer, manufacture and supply essential products for infrastructure for communications, road, commercial, industrial, utility distribution, mining, and energy sectors. In doing so, we help with global economic growth across the globe.

- **Steel, aluminum, composite and wood poles for lighting, traffic and signage**
- **Steel structures and components for wireless communications**
- **Engineered access systems and perforated metal for industrial and commercial applications**
- **Highway safety products for road infrastructure**
- **Wind tower structures for onshore and offshore energy markets**

UTILITY SUPPORT STRUCTURES

We provide the utility industry with structures that support new generating capacity and upgrades to aging transmission grids and renewable energy sources.

- **Steel, concrete, composite and hybrid structures for high-voltage electric transmission, substation and distribution**

COATINGS

Our high-performing coatings protect investments in infrastructure by preventing corrosion and extending the lifetimes of a vast array of metal products.

- **Hot-dip galvanizing and high-performing alternatives, including anodizing, powder coating, e-coating and other finishes**

IRRIGATION

Through our efficient mechanized irrigation equipment, we help producers feed growing populations protein-rich diets and support demand for biofuels, while using less of the world's limited freshwater supply.

- **Center pivot, linear move and corner irrigation equipment**
- **Pivot tracking and water application control technology**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 27, 2014

or

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

For the transition period from to

Commission file number 1-31429

Valmont Industries, Inc.
(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

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

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

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

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

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

At February 18, 2015 there were 23,994,776 of the Company's common shares outstanding. The aggregate market value of the voting stock held by non-affiliates of the Company based on the closing sale price the common shares as reported on the New York Stock Exchange on June 27, 2014 was $3,928,857,217.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's proxy statement for its annual meeting of shareholders to be held on April 28, 2015 (the "Proxy Statement"), to be filed within 120 days of the fiscal year ended December 27, 2014, are incorporated by reference in Part III.

VALMONT INDUSTRIES, INC.
Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the fiscal year ended December 27, 2014

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PART I

ITEM 1. BUSINESS.

(a) General Description of Business

General

We are a diversified global producer of fabricated metal products and are a leading producer of steel, aluminum and composite pole, tower and other structures in our Engineered Infrastructure Products (EIP) segment, steel and concrete pole structures in our Utilities Support Structures (Utility) segment and are a global producer of mechanized irrigation systems in our Irrigation segment. We also provide metal coating services, including galvanizing, painting and anodizing in our Coatings segment. Our products sold through the EIP segment include outdoor lighting and traffic control structures, wireless communication structures and components and roadway safety and industrial access systems. Our pole structures sold through our Utility segment support electrical transmission and distribution lines and related power distribution equipment. Our Irrigation segment produces mechanized irrigation equipment that delivers water, chemical fertilizers and pesticides to agricultural crops. Customers and end-users of our products include state and federal governments, contractors, utility and telecommunications companies, manufacturers of commercial lighting fixtures and large farms as well as the general manufacturing sector. In 2014, approximately 41% of our total sales were either sold in markets or produced by our manufacturing plants outside of North America. We were founded in 1946, went public in 1968 and our shares trade on the New York Stock Exchange (ticker: VMI).

Business Strategy

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

Increasing the Market Penetration of our Existing Products. Our strategy is to increase our market penetration by differentiating our products from our competitors' products through superior customer service, technological innovation and consistent high quality. For example, our Utility segment increased its sales between 2010 and 2014 through our engineering capability, effective coordination of our production capacity and strong customer service to meet our customers' requirements, especially on large, complex projects. Our acquisition of Delta plc in May 2010 has improved our market presence and penetration in the Australian lighting, communication and utility structures markets and the U.S. industrial galvanizing markets.

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

Developing New Products for Markets that We Currently Serve. Our strategy is to grow by developing new products for markets where we have a comprehensive understanding of end-user

requirements and longstanding relationships with key distributors and end-users. For example, in recent years we developed and sold structures for tramway applications in Europe. The customers for this product line include many of the state and local governments that purchase our lighting structures. Another example is the development and expansion of decorative product concepts for lighting applications that have been introduced to our existing customer base. Our 2014 acquisition of the majority ownership in AgSense allows us to offer expanded remote monitoring services over irrigation equipment and other aspects of a farming operation.

Developing New Products for New Markets and Leverage a Core Competency to Further Diversify our Business. Our strategy is to increase our sales and diversify our business by developing new products for new markets or to leverage a core competency. For example, we have been expanding our offering of specialized decorative lighting poles in the U.S. including the fiberglass composite structures offered through Shakespeare Composite Structures which we acquired in 2014. The decorative lighting market has different customers than our traditional markets and the products to serve that market are different than the poles we manufacture for the transportation and commercial markets. The acquisition of Delta gave us a presence in highway safety systems and industrial access systems, products that we believe are complementary to our existing products and provide us with future growth opportunities. The establishment and growth of our Coatings segment was based on using our expertise in galvanizing to develop what is now a global business segment.

Acquisitions

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

2010

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

2011

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

2012

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

2013

- Acquisition of a manufacturer of perforated, expanded metal for the non-residential market, industrial flooring and handrails for the access systems market, and screening media for applications in the industrial and mining sectors in Australia and Asia (EIP)
- Acquisition of the remaining 40% not previously owned of Valley Irrigation South Africa Pty. Ltd (Irrigation)
- Acquisition of a distributor a company holding proprietary intellectual property for products serving the highway safety market located in New Zealand (EIP)

2014

- Acquisition of a manufacturer of heavy complex steel structures with two manufacturing locations in Denmark (EIP)
- Acquisition of a 51% ownership stake in AgSense, which provides farmers with remote monitoring equipment for their pivots and entire farming operation (Irrigation)
- Acquisition of a manufacturer of fiberglass composite support structures with two manufacturing locations in South Carolina (EIP)

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

(b) Segments

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

Our reportable segments are as follows:

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

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

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

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

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

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

(c) Narrative Description of Business

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

Engineered Infrastructure Products Segment

Products Produced—We manufacture steel, aluminum, and composite poles and structures to which lighting and traffic control fixtures are attached for a wide range of outdoor lighting applications, such as streets, highways, parking lots, sports stadiums and commercial and residential developments. The demand for these products is driven by infrastructure, commercial and residential construction and by consumers' desire for well-lit streets, highways, parking lots and common areas to help make these

areas safer at night and to support trends toward more active lifestyles and 24-hour convenience. In addition to safety, customers want products that are visually appealing. In Europe, we are a leader in decorative lighting poles, which are attractive as well as functional. We are leveraging this expertise to expand our decorative product sales in North America and China. Traffic poles are structures to which traffic signals are attached and aid the orderly flow of automobile traffic. While standard designs are available, poles are often engineered to customer specifications to ensure the proper function and safety of the structure. Product engineering takes into account factors such as weather (e.g. wind, ice) and the products loaded on the structure (e.g. lighting fixtures, traffic signals, overhead signs) to determine the design of the pole. This product line also includes roadway safety systems, including guard rail barrier systems, wire rope safety barriers, crash attenuation barriers and other products designed to redirect vehicles when off course and to prevent collisions between vehicles. Highway safety systems are also designed and engineered to absorb collisions and ultimately reduce roadway fatalities and injury.

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

The EIP segment also produces and distributes access systems. Access systems are engineered structures and components that allow people to move safely and effectively in an industrial, infrastructure or commercial facility. Access systems also are used in architectural applications. Products offered in this product line are usually engineered to specific customer requirements and include floor gratings, handrails, barriers and sunscreens. This segment also manufactures complex steel structures for wind energy and offshore and land based utility transmission outside of North America.

Markets—The key markets for our lighting, traffic and roadway safety products are the transportation and commercial lighting markets and public roadway building and improvement. The transportation market includes street and highway lighting and traffic control, much of which is driven by government spending programs. For example, the U.S. government funds highway and road improvement through the federal highway program. This program provides funding to improve the nation's roadway system, which includes roadway lighting and traffic control enhancements. Matching funding from the various states may be required as a condition of federal funding. The current federal highway program is now operating under an extension that will expire in 2015. In the United States, there are approximately 4 million miles of public roadways, with approximately 24% carrying over 80% of the traffic. Accordingly, the need to improve traffic flow through traffic controls and lighting is a priority for many communities. Transportation markets in other areas of the world are also heavily funded by local and national governments. The commercial lighting market is mainly funded privately and includes lighting for applications such as parking lots, shopping centers, sports stadiums and business parks. The commercial lighting market is driven by macro-economic factors such as general economic growth rates, interest rates and the commercial construction economy.

The main markets for our communication products have been the wireless telephone carriers and build-to-suit companies (organizations that own cell sites and attach antennas from multiple carriers to the pole or tower structure). We also sell products to state and federal governments for two-way radio communication, radar, broadcasting and security applications. We believe long-term growth should mainly be driven by increased usage, technologies such as 4G (including applications for smart phones,

such as streaming video and internet) and demand for improved emergency response systems, as part of the U.S. Homeland Security initiatives. Subscriber growth should continue to increase, although at a lower rate than in the past. In general, as the number of subscribers and usage of wireless communication devices increase, we believe this will result in demand for communication structures and components.

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

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

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

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

Utility Support Structures Segment

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

Markets—Our sales in this segment are mainly in North America, where the key drivers in the utility business are significant upgrades in the electrical grid to support enhanced reliability standards, policy changes encouraging more generation from renewable energy sources, interconnection of regional grids to share more efficient generation to the benefit of the consumer and increased electrical consumption which has outpaced the transmission investment in the past decades. According to the Edison Electric Institute, the electrical transmission grid in the U.S. requires significant investment in the coming years to respond to the compelling industry drivers and lack of investment over the past

25 years. The expected increase in electrical consumption around the world should also require substantial investment in new electricity generation capacity which will prompt further international growth in transmission grid development. We expect these factors to result in increased demand for electrical utility structures to transport electricity from source to user.

Competition—Our competitive strategy in this segment is to provide high value solutions to the customer at a reasonable price. We compete on the basis of product quality, engineering expertise, high levels of customer service and reliable, timely delivery of the product. There are many competitors. Companies compete on the basis of price, quality and service. Utility sales are often made through a competitive bid process, whereby the lowest bidder is awarded the contract, provided the competitor meets all other qualifying criteria. In weak markets, price is a more important criterion in the bid process.

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

Coatings Segment

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

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

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

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

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

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

Irrigation Segment

Products Produced—We manufacture and distribute mechanical irrigation equipment and related service parts under the "Valley" brand name. A Valley irrigation machine usually is powered by electricity and propels itself over a farm field and applies water and chemicals to crops. Water and, in some instances, chemicals are applied through sprinklers attached to a pipeline that is supported by a series of towers, each of which is propelled via a drive train and tires. A standard mechanized irrigation machine (also known as a "center pivot") rotates in a circle, although we also manufacture and distribute center pivot extensions that can irrigate corners of square and rectangular farm fields as well as conform to irregular field boundaries (referred to as a "corner" machine). Our irrigation machines can also irrigate fields by moving up and down the field as opposed to rotating in a circle (referred to as a "linear" machine). Irrigation machines can be configured to irrigate fields in size from 4 acres to over 500 acres, with a standard size in the U.S. configured for a 160-acre tract of ground. One of the key components of our irrigation machine is the control system. This is the part of the machine that allows the machine to be operated in the manner preferred by the grower, offering control of such factors as on/off timing, individual field sector control, rate and depth of water and chemical application. We also offer growers options to control multiple irrigation machines through centralized computer control or mobile remote control. The irrigation machine used in international markets is substantially the same as the one produced for the North American market.

There are other forms of irrigation available to farmers, two of the most prevalent being flood irrigation and drip irrigation. In flood irrigation, water is applied through a pipe or canal at the top of the field and allowed to run down the field by gravity. Drip irrigation involves plastic pipe or tape resting on the surface of the field or buried a few inches below ground level, with water being applied gradually. We estimate that center pivot and linear irrigation comprises 50% of the irrigated acreage in North America. International markets use predominantly flood irrigation, although all forms are used to some extent.

The Company through its majority ownership in AgSense LLC, develops and markets remote monitoring technology for pivot irrigation systems that is sold on a subscription basis under the WagNet product name. WagNet technology allows growers to remotely monitor and operate irrigation equipment and other farm structures such as grain bins.

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

The demand for mechanized irrigation comes from the following sources:

- conversion from flood irrigation
- replacement of existing mechanized irrigation machines
- converting land that is not irrigated to mechanized irrigation

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

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

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

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

Distribution Methods—We market our irrigation machines and service parts through independent dealers. There are approximately 275 dealer locations in North America, with another approximately 220 dealers serving international markets. The dealer determines the grower's requirements, designs the configuration of the machine, installs the machine (including providing ancillary products that deliver water and electrical power to the machine) and provides after-sales service. Our dealer network is supported and trained by our technical and sales teams. Our international dealers are supported through our regional headquarters in South America, South Africa, Western Europe, Australia, China and the United Arab Emirates as well as the home office in Valley, Nebraska.

General

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

Suppliers and Availability of Raw Materials.

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

Patents, Licenses, Franchises and Concessions.

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

Seasonal Factors in Business.

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

Customers.

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

Backlog.

The backlog of orders for the principal products manufactured and marketed was $553.8 million at the end of the 2014 fiscal year and $666.6 million at the end of the 2013 fiscal year. An order is reported in our backlog upon receipt of a purchase order from the customer or execution of a sales order contract. We anticipate that most of the 2014 backlog of orders will be filled during fiscal year 2015. At year-end, the segments with backlog were as follows (dollar amounts in millions):

	12/27/2014	12/28/2013
Engineered Infrastructure Products	$201.1	$200.8
Utility Support Structures	279.6	334.4
Irrigation	45.8	104.4
Coatings	0.2	0.7
Other	27.1	26.3
	$553.8	$666.6

Research Activities.

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

Environmental Disclosure.

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

Number of Employees.

At December 27, 2014, we had 11,321 employees.

(d) Financial Information About Geographic Areas

Our international sales activities encompass over 100 foreign countries. The information called for by this item is included in Note 17 of our consolidated financial statements. While Australia accounted for approximately 14% of our net sales in 2014, no other foreign country accounted for more than 5% of our net sales. Net sales for purposes of Note 17 include sales to outside customers.

(e) Available Information

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

ITEM 1A. RISK FACTORS.

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

Increases in prices and reduced availability of key commodities such as steel, aluminum, zinc, natural gas and fuel will increase our operating costs and likely reduce our profitability.

Hot rolled steel coil and other carbon steel products have historically constituted approximately one-third of the cost of manufacturing our products. We also use large quantities of aluminum for lighting structures and zinc for the galvanization of most of our steel products. Our facilities use large quantities of natural gas for heating and processing tanks in our galvanizing operations. We use gasoline and diesel fuel to transport raw materials to our locations and to deliver finished goods to our customers. The markets for these commodities can be volatile. The following factors increase the cost and reduce the availability of these commodities:

- increased demand, which occurs when we and other industries require greater quantities of these commodities, which can result in higher prices and lengthen the time it takes to receive these commodities from suppliers;
- lower production levels of these commodities, due to reduced production capacities or shortages of materials needed to produce these commodities (such as coke and scrap steel for the production of steel) which could result in reduced supplies of these commodities, higher costs for us and increased lead times;
- increased cost of major inputs, such as scrap steel, coke, iron ore and energy;
- fluctuations in foreign exchange rates can impact the relative cost of these commodities, which may affect the cost effectiveness of imported materials and limit our options in acquiring these commodities; and
- international trade disputes, import duties and quotas, since we import some steel for our domestic and foreign manufacturing facilities.

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

Rising steel prices in 2010 and 2011 put pressure on gross profit margins, especially in our Engineered Infrastructure Products and Utility Support Structures segments. In both of these segments, the elapsed time between the quotation of a sales order and the manufacturing of the product ordered

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

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

Our sales are sensitive to the market conditions present in the industries in which the ultimate consumers of our products operate, which in some cases have been highly cyclical and subject to substantial downturns. For example, a significant portion of our sales of support structures is to the electric utility industry. Our sales to the U.S. electric utility industry were over $750 million in 2014 and over $900 million in 2013. Purchases of our products are deferrable to the extent that utilities may reduce capital expenditures for reasons such as unfavorable regulatory environments, a slow U.S. economy or financing constraints. In the event of weakness in the demand for utility structures due to reduced or delayed spending for electrical generation and transmission projects, our sales and operating income likely will decrease.

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

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

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

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

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

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

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

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

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

We are an international manufacturing company with operations around the world. At December 27, 2014, we operated over 100 manufacturing plants, located on six continents, and sold our products in more than 100 countries. In 2014, approximately 41% of our total sales were either sold in markets or produced by our manufacturing plants outside of North America. We have operations in geographic markets that have recently experienced political instability, such as the Middle East, and economic uncertainty, such as Western Europe. Our geographic diversity also requires that we hire, train and retain competent management for the various local markets. We also have a significant manufacturing presence in Australia, Europe and China. We expect that international sales will continue to account for a significant percentage of our net sales in the future. Accordingly, our foreign business operations and our foreign sales and profits are subject to the following potential risks:

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

- difficulties and costs of staffing and managing our foreign operations, increasing our foreign operating costs and decreasing profits;
- potential violation of local laws or unsanctioned management actions that could affect our profitability or ability to compete in certain markets;
- difficulties in enforcing our rights outside the United States for patents on our manufacturing machinery, poles and irrigation designs;
- increases in tariffs, export controls, taxes and other trade barriers reducing our international sales and our profit on these sales; and
- acts of war or terrorism.

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

Failure to comply with any applicable anti-corruption legislation could result in fines, criminal penalties and an adverse effect on our business.

We must comply with all applicable laws, which may include the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act or other anti-corruption laws. These anti-corruption laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence government officials or private individuals for the purpose of obtaining or retaining a business advantage regardless of whether those practices are legal or culturally expected in a particular jurisdiction. Recently, there has been a substantial increase in the global enforcement of anti-corruption laws. Although we have a compliance program in place designed to reduce the likelihood of potential violations of such laws, violations of these laws could result in criminal or civil sanctions and an adverse effect on the company's reputation, business and results of operations and financial condition.

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

We sell our products in many countries around the world. Approximately 43% of our fiscal 2014 sales were in markets outside the United States and are often made in foreign currencies, mainly the Australian dollar, euro, Brazilian real, Canadian dollar, Chinese renminbi and South African rand. Because our financial statements are denominated in U.S. dollars, fluctuations in currency exchange rates between the U.S. dollar and other currencies have had and will continue to have an impact on our reported earnings. For example, the U.S. dollar appreciated versus the Australian dollar in 2014. As a result, our Australian sales measured in U.S. dollar terms decreased by approximately $30 million due to exchange rate translation effects. If the U.S. dollar weakens or strengthens versus the foreign currencies mentioned above, the result will be an increase or decrease in our reported sales and earnings, respectively. Currency fluctuations have affected our financial performance in the past and may affect our financial performance in any given period. In cases where local currencies are strong, the relative cost of goods imported from outside our country of operation becomes lower and affects our ability to compete profitably in our home markets. We experienced increased pricing competition in our access systems product line in Australia in 2011 and 2012. This increased pricing pressure, in part, was due to the strong Australian dollar and resulting competition from companies outside of Australia.

We also face risks arising from the imposition of foreign exchange controls and currency devaluations. Exchange controls may limit our ability to convert foreign currencies into U.S. dollars or to remit dividends and other payments by our foreign subsidiaries or businesses located in or conducted within a country imposing controls. Currency devaluations result in a diminished value of funds

denominated in the currency of the country instituting the devaluation. Actions of this nature could have a material adverse effect on our results of operations and financial condition in any given period.

Our businesses require skilled labor and management talent and we may be unable to attract and retain qualified employees.

Our businesses require skilled factory workers and management in order to meet our customer's needs, grow our sales and maintain competitive advantages. Skills such as welding, equipment maintenance and operating complex manufacturing machinery may be in short supply in certain geographic areas, leading to shortages of skilled labor and/or increased labor costs. Management talent is critical as well, to help grow our businesses and effectively plan for succession of key employees upon retirement. In some geographic areas, skilled management talent in certain areas may be difficult to find. To the extent we have difficulty in finding and retaining these skills in the workforce, there may be an adverse effect on our ability to grow profitably in the future.

We may incur significant warranty or contract management costs.

In our Utility Support Structures segment, we manufacture large structures for electrical transmission. These products may be highly engineered for very large, complex contracts and subject to terms and conditions that penalize us for late delivery and result in consequential and compensatory damages. From time to time, we may have a product quality issue on a large utility structures order and the costs of curing that issue may be significant. Our products in the Engineered Infrastructure Products segment include structures for a wide range of outdoor lighting and wireless communication applications. In our Irrigation segment, our products are covered under warranties, some for several years. We may incur significant warranty or product related costs, which may include repairing or replacing defective or non-conforming products, even if another party may have contributed to the problem. In such cases, the costs of correcting the quality issue may be significant.

We face strong competition in our markets.

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

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

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

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

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

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

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

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

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

As of December 27, 2014, we had $781.8 million of total indebtedness outstanding. We had $582.4 million capacity to borrow under our revolving credit facility at December 27, 2014. We normally borrow money to make business acquisitions and major capital expenditures. From time to time, our borrowings have been significant. Our level of indebtedness could have important consequences, including:

- our ability to satisfy our obligations under our debt agreements could be affected and any failure to comply with the requirements, including significant financial and other restrictive covenants,

of any of our debt agreements could result in an event of default under the agreements governing our indebtedness;

- a substantial portion of our cash flow from operations will be required to make interest and principal payments and will not be available for operations, working capital, capital expenditures, expansion, or general corporate and other purposes, including possible future acquisitions that we believe would be beneficial to our business;
- our ability to obtain additional financing in the future may be impaired;
- we may be more highly leveraged than our competitors, which may place us at a competitive disadvantage;
- our flexibility in planning for, or reacting to, changes in our business and industry may be limited; and
- our degree of leverage may make us more vulnerable in the event of a downturn in our business, our industry or the economy in general.

We had $371.6 million of cash at December 27, 2014, which mitigates a portion of the risk associated with our debt. However, approximately 80% of our consolidated cash balances are outside the United States and most of our interest-bearing debt is borrowed by U.S. entities. In the event that we would have to repatriate cash from international operations to meet cash needs in the U.S., we are likely to incur significant income tax expenses to repatriate that cash. In addition, as we use cash for acquisitions and other purposes, any of these factors could have a material adverse effect on our business, financial condition, results of operations, cash flows and business prospects.

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

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

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

Delta is the sponsor of a United Kingdom defined benefit pension plan that, as of December 27, 2014, covered approximately 6,500 inactive or retired former Delta employees. At December 28, 2014, this plan was, for accounting purposes, underfunded by approximately £96.5 million ($150.1 million). The current agreement with the trustees of the pension plan for annual funding was approximately £10.0 million ($15.6 million) in respect of the funding shortfall and approximately £1.1 million ($1.7 million) in respect of administrative expenses. Although this funding obligation was considered in the offer price for the Delta shares, the underfunded position may adversely affect the combined company as follows:

- Laws and regulations in the United Kingdom normally require the plan trustees and us to agree on a new funding plan every three years. The next funding plan will be developed in 2015. Changes in actuarial assumptions, including future discount, inflation and interest rates, investment returns and mortality rates, may increase the underfunded position of the pension

plan and cause the combined company to increase its funding levels in the pension plan to cover underfunded liabilities.

- The United Kingdom regulates the pension plan and the trustees represent the interests of covered workers. Laws and regulations, under certain circumstances, could create an immediate funding obligation to the pension plan which could be significantly greater than the £96.5 million ($150.1 million) assumed for accounting purposes as of December 27, 2014. Such immediate funding is calculated by reference to the cost of buying out liabilities on the insurance market, and could affect our ability to use Delta's existing cash or the combined company's future excess cash to grow the business or finance other obligations. The use of Delta's cash and future cash flows beyond the operation of Delta's business or the satisfaction of Delta's obligations would require negotiations with the trustees and regulators.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

Our corporate headquarters are located in a leased facility in Omaha, Nebraska, under a lease expiring in 2021. The headquarters of the Company's reportable segments are located in Valley, Nebraska except for the headquarters of the Company's Utility Support Structures segment, which is located in Birmingham, Alabama. We also maintain a management headquarters in Sydney, Australia. Most of our significant manufacturing locations are owned or are subject to long-term renewable leases. Our principal manufacturing locations are in Valley, Nebraska, McCook, Nebraska, Tulsa, Oklahoma, Brenham, Texas, Charmeil, France and Shanghai, China. All of these facilities are owned by us. We believe that our manufacturing capabilities and capacities are adequate for us to effectively serve our customers. Our capital spending programs consist of investment for replacement, achieving operational efficiencies and expand capacities where needed. Our principal operating locations by reportable segment are listed below.

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

Utility Support Structures segment North America manufacturing locations are in Alabama, Georgia, Florida, California, Texas, Oklahoma, Pennsylvania, Tennessee, Kansas, Nebraska and Mexico. The largest of these operations are in Tulsa, Oklahoma, Monterrey, Mexico and Hazleton, Pennsylvania. The Tulsa and Monterrey facilities are owned and the Hazleton facility is located on both owned and leased property. Principal international manufacturing locations are in China and France.

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

Irrigation segment North America manufacturing operations are located in Valley and McCook, Nebraska. Our principal manufacturing operations serving international markets are located in

Uberaba, Brazil, Nigel, South Africa, Jebel Ali, United Arab Emirates, Madrid, Spain and Shandong, China. All facilities are owned except for China, which is leased.

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

ITEM 3. LEGAL PROCEEDINGS.

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

ITEM 4. MINE SAFETY DISCLOSURES.

Not Applicable.

Executive Officers of the Company

Our executive officers at February 25, 2015, their ages, positions held, and the business experience of each during the past five years are, as follows:

Mogens C. Bay, age 66, Chairman and Chief Executive Officer since January 1997.

Mark C. Jaksich, age 57, Executive Vice President and Chief Financial Officer since February 2014. Vice President and Controller since February 2000.

Todd G. Atkinson, age 58, Executive Vice President since February 2011. Chief Executive Officer of Delta plc from July 2003 until February 2011.

Brian J. Desigio, age 45, Senior Vice President-Corporate Development since April 2008.

Vanessa K. Brown, age 62, Senior Vice President-Human Resources since July 2011. Director of Human Resources of North America Engineered Infrastructure Products division from 1997 until 2011.

Timothy Francis, age 38, Vice President and Controller since June 2014. Mr. Francis served as Chief Financial Officer of Burlington Capital Group LLC (“BCG”) and America First Multifamily Investors, L.P. (“ATAX”), a NASDAQ listed Limited Partnership in which BCG serves as the General Partner, from January 2012 to May 2014. He was a certified public accountant with Deloitte & Touche LLP from January 2001 to January 2012, last serving as Senior Audit Manager.

Walter P. Pasko, age 64, Vice President-Procurement since May 2002.

PART II

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

Our common stock is traded on the New York Stock Exchange under the symbol "VMI". We had approximately 2,500 shareholders of common stock at December 27, 2014. Other stock information required by this item is included in Note 20 "Quarterly Financial Data (unaudited)" to the consolidated financial statements and incorporated herein by reference.

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased	(b) Average Price paid per share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
September 28, 2014 to October 25, 2014	312,408	133.92	312,408	141,865,000
October 26, 2014 to November 29, 2014	272,349	135.53	272,349	104,955,000
November 30, 2014 to December 27, 2014	—	—	—	—
Total	584,757	134.67	584,757	104,955,000

On May 13, 2014, we announced a new capital allocation philosophy which covered both the quarterly dividend rate as well as a share repurchase program. Specifically, the Board of Directors authorized the purchase of up to $500 million of the Company's outstanding common stock from time to time over twelve months at prevailing market prices, through open market or privately-negotiated transactions. As of December 27, 2014, we have acquired 2,711,149 shares for approximately $395.0 million under this share repurchase program. In February 2015, the Board of Directors authorized an additional $250 million of purchase, without an expiration date.

ITEM 6. SELECTED FINANCIAL DATA.

SELECTED FIVE-YEAR FINANCIAL DATA

(Dollars in thousands, except per share amounts)	2014	2013	2012	2011	2010
Operating Data				(3)	(2)
Net sales	$3,123,143	$3,304,211	$3,029,541	$2,661,480	$1,975,505
Operating income	357,716	473,069	382,296	263,310	178,413
Net earnings attributable to Valmont Industries, Inc.(1)	183,976	278,489	234,072	228,308	94,379
Depreciation and amortization	89,328	77,436	70,218	74,560	59,663
Capital expenditures	73,023	106,753	97,074	83,069	36,092
Per Share Data					
Earnings:					
Basic(1)	$ 7.15	$ 10.45	$ 8.84	$ 8.67	$ 3.62
Diluted(1)	7.09	10.35	8.75	8.60	3.57
Cash dividends declared	1.375	0.975	0.855	0.705	0.645
Financial Position					
Working capital	$ 995,727	$1,161,260	$1,013,507	$ 844,873	$ 747,312
Property, plant and equipment, net	606,453	534,210	512,612	454,877	439,609
Total assets	2,729,668	2,776,494	2,568,551	2,306,076	2,090,743
Long-term debt, including current installments	767,835	471,109	472,817	474,650	468,834
Total Valmont Industries, Inc. shareholders' equity	1,201,833	1,522,025	1,349,912	1,146,962	915,892
Cash flow data:					
Net cash flows from operating activities	$ 174,096	$ 396,442	$ 197,097	$ 149,671	$ 152,220
Net cash flows from investing activities	(256,863)	(131,721)	(136,692)	(84,063)	(262,713)
Net cash flows from financing activities	(139,756)	(37,380)	(16,355)	(45,911)	269,685
Financial Measures					
Invested capital(a)	$2,103,989	$2,113,903	$1,981,502	$1,769,461	$1,577,707
Return on invested capital(a)	11.3%	15.0%	13.2%	11.0%	8.8%
EBITDA(b)	$ 413,684	$ 546,208	$ 462,417	$ 343,633	$ 239,997
Return on beginning shareholders' equity(c)	12.1%	20.6%	20.4%	24.9%	12.0%
Leverage ratio(d)	1.89	0.90	1.05	1.41	1.99
Year End Data					
Shares outstanding (000)	24,229	26,825	26,674	26,481	26,374
Approximate number of shareholders	2,500	2,500	2,500	2,800	3,100
Number of employees	11,321	10,769	10,543	9,476	9,188

(1) Fiscal 2014 included costs associated with refinancing of our long-term debt of $24.2 million after tax ($0.93 per share). Fiscal 2013 included $4,569 ($0.17 per share) in after-tax fixed asset impairment losses at Delta EMD Pty. Ltd. (EMD) and $12,011 ($0.45 per share) in losses associated with the deconsolidation of EMD. Fiscal 2011 included $66,026 ($2.49 per share) of income tax benefits associated with a legal entity restructuring resulting in the removal of valuation allowances on deferred income tax assets and increased income tax basis in certain assets.

(2) On May 12, 2010, the Company acquired Delta plc (Delta). The financial results of Delta are included in the Company's consolidated accounts starting on that date. Fiscal 2011 to 2014, accordingly, include a full year of Delta's operating results.

(3) Fiscal 2011 was a 53 week fiscal year.

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

	2014	2013	2012	2011	2010
Operating income	$ 357,716	$ 473,069	$ 382,296	$ 263,310	$ 178,413
Effective tax rate(1)	33.4%	35.1%	35.2%	30.2%	36.0%
Tax effect on operating income	(119,477)	(166,047)	(134,568)	(79,520)	(64,153)
After-tax operating income	238,239	307,022	247,728	183,790	114,260
Average invested capital	2,108,946	2,047,703	1,875,482	1,673,584	1,303,839
Return on invested capital	11.3%	15.0%	13.2%	11.0%	8.8%
Total assets	$2,729,668	$2,776,494	$2,568,551	$2,306,076	$2,090,743
Less: Accounts and income taxes payable	(196,565)	(216,121)	(212,424)	(234,537)	(179,814)
Less: Accrued expenses	(176,430)	(194,527)	(180,408)	(157,128)	(153,686)
Less: Defined benefit pension liability	(150,124)	(154,397)	(112,043)	(68,024)	(104,171)
Less: Deferred compensation	(47,932)	(39,109)	(31,920)	(30,741)	(23,300)
Less: Other noncurrent liabilities	(45,542)	(51,731)	(44,252)	(41,418)	(47,713)
Less: Dividends payable	(9,086)	(6,706)	(6,002)	(4,767)	(4,352)
Total Invested capital	$2,103,989	$2,113,903	$1,981,502	$1,769,461	$1,577,707
Beginning of year invested capital	$2,113,903	$1,981,502	$1,769,461	$1,577,707	$1,029,970
Average invested capital	$2,108,946	$2,047,703	$1,875,482	$1,673,584	$1,303,839

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

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

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

	2014	2013	2012	2011	2010
Net cash flows from operations	$174,096	$396,442	$197,097	$149,671	$152,220
Interest expense	36,790	32,502	31,625	36,175	30,947
Income tax expense	94,894	157,781	126,502	4,590	55,008
Loss on investment	(3,795)	—	—	—	—
Non-cash debt refinancing costs	2,478	—	—	—	—
Change in fair value of contingent consideration	4,300	—	—	—	—
Deconsolidation of subsidiary	—	(12,011)	—	—	—
Impairment of property, plant and equipment	—	(12,161)	—	—	—
Deferred income tax (expense) benefit	(5,251)	10,141	(3,720)	84,962	(5,017)
Noncontrolling interest	(5,342)	(1,971)	(4,844)	(8,918)	(6,034)
Equity in earnings of nonconsolidated subsidiaries	29	835	6,128	8,059	2,439
Stock-based compensation	(6,730)	(6,513)	(5,829)	(5,931)	(7,154)
Pension plan expense	(2,638)	(6,569)	(4,281)	(5,449)	(5,874)
Contribution to pension plan	18,173	17,619	11,591	11,860	—
Payment of deferred compensation	—	—	—	—	393
EBITDA from 2014 acquisitions (months not owned by Company)	8,696	—	—	—	—
Changes in assets and liabilities, net of acquisitions	98,376	(34,205)	108,469	69,307	26,272
Other	(392)	4,318	(321)	(693)	(3,203)
EBITDA	$413,684	$546,208	$462,417	$343,633	$239,997

	2014	2013	2012	2011	2010
Net earnings attributable to Valmont Industries, Inc.	$183,976	$278,489	$234,072	$228,308	$ 94,379
Interest expense	36,790	32,502	31,625	36,175	30,947
Income tax expense	94,894	157,781	126,502	4,590	55,008
Depreciation and amortization expense	89,328	77,436	70,218	74,560	59,663
EBITDA from 2014 acquisitions (months not owned by Company)	8,696	—	—	—	—
EBITDA	$413,684	$546,208	$462,417	$343,633	$239,997

EBITDA, as presented, may not be comparable to similarly titled measures of other companies. During 2014, we incurred $38,705 of costs associated with refinancing of debt. This category of expense is not in the definition of EBITDA for debt covenant calculation purposes per our debt agreements. As such, it was not added back in the EBITDA reconciliation to cash flows from operation or net earnings for the year ended December 27, 2014.

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

(d) Leverage ratio is calculated as the sum of current portion of long-term debt, notes payable to bank, and long-term debt divided by EBITDA. The leverage ratio is one of the key financial ratios in the covenants under our major debt agreements and the ratio cannot exceed 3.5 for any reporting period (four quarters). If those covenants are violated, we may incur additional financing costs or be required to pay the debt before its maturity date. Leverage ratio is not a measure of financial performance or liquidity under GAAP and, accordingly, should not be considered in isolation or as a substitute for net earnings, cash flows from operations or other income or cash flow data prepared in accordance with GAAP or as a measure of our operating performance or liquidity. The calculation of this ratio is as follows:

	2014	2013	2012	2011	2010
Current portion of long-term debt	$ 1,181	$ 202	$ 224	$ 235	$ 238
Notes payable to bank	13,952	19,024	13,375	11,403	8,824
Long-term debt	766,654	470,907	472,593	474,415	468,596
Total interest bearing debt	781,787	490,133	486,192	486,053	477,658
EBITDA	413,684	546,208	462,417	343,633	239,997
Leverage Ratio	1.89	0.90	1.05	1.41	1.99

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Forward-Looking Statements

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

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

General

	2014	2013	Change 2014 - 2013	2012	Change 2013 - 2012
	Dollars in millions, except per share amounts				
Consolidated					
Net sales	$3,123.1	$3,304.2	(5.5)%	$3,029.5	9.1%
Gross profit	808.1	945.2	(14.5)%	802.5	17.8%
as a percent of sales	25.9%	28.6%		26.5%	
SG&A expense	450.4	472.1	(4.6)%	420.2	12.4%
as a percent of sales	14.4%	14.3%		13.9%	
Operating income	357.7	473.1	(24.4)%	382.3	23.8%
as a percent of sales	11.5%	14.3%		12.6%	
Net interest expense	30.7	26.0	18.1%	23.4	11.1%
Effective tax rate	33.4%	35.1%		35.2%	
Net earnings attributable to Valmont Industries, Inc	184.0	278.5	(33.9)%	234.1	19.0%
Diluted earnings per share	$ 7.09	$ 10.35	(31.5)%	$ 8.75	18.3%
Engineered Infrastructure Products Segment					
Net sales	$1,062.6	$ 897.5	18.4%	$ 833.3	7.7%
Gross profit	277.7	256.4	8.3%	215.8	18.8%
SG&A expense	174.4	168.7	3.4%	161.8	4.3%
Operating income	103.3	87.7	17.8%	54.0	62.4%
Utility Support Structures Segment					
Net sales	822.6	959.7	(14.3)%	869.7	10.3%
Gross profit	172.0	257.4	(33.2)%	200.4	28.4%
SG&A expense	76.9	82.7	(7.0)%	71.4	15.8%
Operating income	95.1	174.7	(45.6)%	129.0	35.4%
Coatings Segment					
Net sales	278.4	301.0	(7.5)%	282.1	6.7%
Gross profit	98.1	106.7	(8.1)%	104.4	2.2%
SG&A expense	37.1	31.8	16.7%	32.8	(3.0)%
Operating income	61.0	74.9	(18.6)%	71.6	4.6%
Irrigation Segment					
Net sales	759.2	882.2	(13.9)%	750.6	17.5%
Gross profit	218.3	272.7	(19.9)%	216.1	26.2%
SG&A expense	90.2	91.2	(1.1)%	72.4	26.0%
Operating income	128.1	181.5	(29.4)%	143.7	26.3%
Other					
Net sales	200.3	263.8	(24.1)%	293.9	(10.2)%
Gross profit	41.8	51.8	(19.3)%	65.7	(21.2)%
SG&A expense	15.9	20.8	(23.6)%	19.1	8.9%
Operating income	25.9	31.0	(16.5)%	46.6	(33.5)%
Net corporate expense					
Gross profit	0.2	0.2	NA	—	NA
SG&A expense	55.9	76.9	(27.3)%	62.6	22.8%
Operating loss	(55.7)	(76.7)	(27.4)%	(62.6)	22.5%

RESULTS OF OPERATIONS

FISCAL 2014 COMPARED WITH FISCAL 2013

Overview

On a consolidated basis, the decrease in net sales in 2014, as compared with 2013, reflected lower sales in all reportable segments and the "Other" category, except for Engineered Infrastructure Products. The change in net sales in 2014, as compared with 2013, was due to the following factors:

	Total	EIP	Utility	Coatings	Irrigation	Other
Sales—2013	$3,304.2	$ 897.5	$959.7	$301.0	$ 882.2	$263.8
Volume	(198.1)	5.8	(63.4)	(21.6)	(111.5)	(7.4)
Pricing/mix	(70.2)	4.8	(71.8)	8.1	(2.9)	(8.4)
Acquisitions/Divestiture	136.9	172.5	—	—	2.9	(38.5)
Currency translation	(49.7)	(18.0)	(1.9)	(9.1)	(11.5)	(9.2)
Sales—2014	$3,123.1	$1,062.6	$822.6	$278.4	$ 759.2	$200.3

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

Acquisitions included Locker Group Holdings ("Locker"), Armorflex International Ltd. ("Armorflex"), DS SM A/S ("Valmont SM"), AgSense LLC, and Shakespeare Composite Structures ("Shakespeare"). We acquired Locker in February 2013, Armorflex in December 2013, Valmont SM in March 2014, AgSense in August 2014, and Shakespeare in October 2014. All of these acquisitions are reported in the Engineered Infrastructure Products segment, except for AgSense which is reported in the Irrigation segment. In the "Other" category, the sales reduction of $38.5 million in 2014 reflects the deconsolidation of Delta EMD Pty. Ltd. ("EMD") in December 2013, following the reduction of our ownership in the operation to below 50%.

The decrease in gross margin (gross profit as a percent of sales) in 2014, as compared with 2013, was due to a combination of lower sales prices and unfavorable sales mix, reduced sales volumes, currency translation, and slightly higher raw material costs in 2014, as compared with 2013. This was partially offset by the $12.2 million fixed asset impairment loss in our electrolytic manganese dioxide (EMD) operation in 2013, which was recorded as Product Cost of Sales.

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

	Total	EIP	Utility	Coatings	Irrigation	Other	Corporate
Year-to-date	$(6.2)	$(1.9)	$(0.4)	$(1.1)	$(2.0)	$(1.3)	$0.5

Selling, general and administrative (SG&A) spending in 2014 decreased from 2013, mainly due to the following factors:

- decreased employee incentive accruals of $37.4 million, due to lower operating results and decreased share price in valuing long-term incentive plans;
- decreased doubtful account provisions of $3.7 million, principally in the Irrigation segment;
- lower expenses associated with the Delta Pension Plan of $3.9 million; and

- EMD was deconsolidated in December 2013, which resulted in reduced expenses of $4.9 million.

The above reductions in SG&A were partially offset by the following:

- the sale of one of our galvanizing facilities in Australia resulted in a 2013 gain of $4.6 million, which was reported as a reduction of SG&A expense;
- higher information technology and product development costs of approximately $5.2 million, and;
- the acquisition of Shakespeare in October 2014, AgSense in August 2014, Valmont SM in March 2014, and Armorflex in December 2013 included combined SG&A expenses in 2014 of $16.2 million.

The decrease in operating income on a reportable segment basis in 2014, as compared to 2013, was due to reduced operating performance in the Utility, Irrigation, and Coatings segments. The EIP segment showed improved operating performance in 2014 compared to 2013, primarily due to the acquisitions of Valmont SM, Armorflex, and Shakespeare. The "Other" category reported reduced operating performance in 2014 compared to 2013, mainly due to reduced profitability of grinding media business.

Net interest expense increased in 2014, as compared with 2013, due to additional long-term debt borrowed in the third quarter of 2014.

The approximate $38.7 million in costs associated with refinancing of debt is due to the Company's repurchase through partial tender of $199.8 million in aggregate principal amount of a portion of the 6.625% senior unsecured notes due 2020. This expense was comprised of the following:

- Cash prepayment expenses of approximately $41.2 million; less
- Recognition of $4.4 million of the proportionate unamortized premium originally recorded upon the issuance of the 2020 notes; plus
- Recognition of approximately $2.1 million of expense comprised of the proportionate amount of the write-offs of unamortized loss on cash flow hedge and deferred financing costs.

The increase in other expense in 2014, as compared with 2013, was mainly attributable to recording the change (loss) in fair value of the Company's investment in EMD of $3.8 million. $2.0 million in lower appreciation of the deferred compensation assets in 2014 as compared to 2013 also contributed to the higher other expense. The remaining increase can be attributed to higher currency translation losses in 2014.

Our effective tax rate in 2014 was lower than fiscal 2013 due to an increased mix of foreign sourced income versus U.S. based taxable income between the years. Foreign sourced income before income taxes as a percent of the total was approximately 40.5% in 2014 compared to 24.7% in 2013. As these foreign jurisdictions have lower statutory income tax rates, our overall effective income tax rate decreased. In addition, we recorded a tax benefit of $3.9 million from a change in management's assertions regarding foreign investment opportunities and restructuring which took place in 2014. U.S. state income taxes also decreased in 2014 compared to 2013 as a result of lower U.S. based taxable income.

Earnings in non-consolidated subsidiaries were lower in 2014, as compared with 2013, with a small amount of activity in 2014. In February 2013, the Company sold its 49% ownership interest in a manganese materials operation. There was no significant gain or loss on the sale.

Our cash flows provided by operations were approximately $174.1 million in 2014, as compared with $396.4 million provided by operations in 2013. The decrease in operating cash flow in 2014 was

the result of the cash prepayment expenses related to the refinancing of debt, decreased net earnings, and higher net working capital, as compared with 2013.

Engineered Infrastructure Products (EIP) segment

The increase in net sales in 2014 as compared with 2013 was mainly due to the acquisition of Shakespeare in October 2014, Valmont SM in early March 2014, and Armorflex in December 2013 ($168.0 million).

Global lighting, traffic, and roadway product sales in 2014 improved compared to 2013. In 2014, sales volumes in the U.S. were higher in the commercial markets as construction and installation activity continue to show slight improvement over 2013. However, the transportation market continues to be challenging, due in part to the lack of long-term U.S. federal highway funding legislation that is affecting growth. Sales volumes in Canada were down in 2014 as compared to 2013 due to project delays, lower government spending, and increased competition. Sales in Europe were lower in 2014 compared to 2013. Decreased volumes in France were offset to an extent by volume increases in the U.K. In the Asia Pacific region, sales were slightly higher in 2014 compared to 2013 due to volume growth in Asia, partially offset by a decrease in Australia due to softer market conditions. Highway safety product sales improved in 2014 compared to 2013, due to the acquisition of Armorflex in December 2013 and modestly improved market conditions in Australia and New Zealand due to more highway construction projects this year. This improvement is offset somewhat by unfavorable year-to-date currency translation effects of $3.8 million.

Communication product line sales were higher in fiscal 2014, as compared to 2013, by $21.7 million. An increase in North America sales was mainly attributable to higher wireless communication structures sales due to the continued build out of wireless networks, partially offset by decreased communication component sales resulting from a large customer temporarily curtailing spending. In China, sales of wireless communication structures in 2014 were higher than 2013 due to higher investment levels by the major wireless carriers and improved market share.

Access systems product line sales decreased in 2014, as compared with 2013, primarily due to the negative impact of currency translation effects of $11.0 million and lower volumes. The volume decrease was primarily related to the slowdown in mining sector investment in Australia and weaker market conditions in China. The volume decrease was partially offset by the full 2014 effect of the Locker acquisition (approximately $4.5 million) that was acquired in February 2013 and better pricing in Asia.

Operating income for the segment in 2014 increased, as compared with the same period of fiscal 2013, due primarily to operating profit generated from the acquisitions of Shakespeare, Valmont SM, and Armorflex ($17.1 million) and the reversal of the Locker earn-out liability in the third quarter of fiscal 2014 of approximately $4.3 million. The earn-out reversal was recorded against Product Cost of Sales in the Consolidated Statements of Earnings.

The increase in SG&A in 2014 was due to the acquisitions of Shakespeare, Valmont SM, and Armorflex totaling $15.4 million. These increased costs in 2014 were offset by lower incentive costs of $5.2 million and currency translation effects of $2.8 million.

Utility Support Structures (Utility) segment

In the Utility segment, the sales decrease in 2014, as compared with 2013, was due to lower sales volume and a decline in the percentage of sales from very large transmission projects which changed the mix of utility structure sales between the reporting periods. In North America, sales volumes in tons for steel utility structures were down in 2014, as compared with 2013, partially offset by increases in sales volume for concrete structures. Sales decreased in the steel utility structures business in 2014

over 2013 by $139.1 million, while sales increased slightly over the same time period for contrete structures by $2.0 million. We believe industry supply and demand were more aligned in 2014, as compared with 2013, as we and our competitors increased production capacity to meet demand. We believe this has resulted in increased price competition for certain portions of the market where orders are awarded based on competitive bidding. In 2014, as compared to 2013, international utility structures sales decreased due to lower sales volumes and currency translation effects.

SG&A expense decreased approximately $4.6 million in 2014, as compared with 2013, primarily due to lower incentive compensation tied to lower operating income offset by higher employee compensation due to increased headcount to support capacity expansion to meet projected long-term growth. Operating income in 2014, as compared with 2013, decreased due to lower sales, reduced leverage of fixed costs, and increased depreciation expense on plant capacity added in late 2013.

Coatings segment

Coatings segment sales decreased in 2014, as compared with 2013, primarily due to lower sales volumes in the Asia Pacific region and currency translation effects related to the strengthening of the U.S. dollar against the Australian dollar. More specifically, weak demand in Australia led to decreases in volumes offset somewhat by improved sales volumes in Asia. Sales in North America were slightly down in 2014 compared to 2013, primarily due to lower volumes and currency translation effects that were partially offset by an increase in sales prices due to higher zinc costs.

Operating income was also lower in 2014, as compared with 2013, due to the lower sales volumes, unfavorable currency impacts, and reduced leverage of fixed costs in both Australia and North America. The decrease in segment operating income in 2014 compared to 2013 was also due to the $4.6 million gain recognized on the sale of an Australian galvanizing operation in the second quarter of fiscal 2013. The decrease in segment operating income in 2014, as compared to the same periods in 2013, was partially offset by approximately $3.0 million of business interruption insurance proceeds received in 2014 related to a 2013 fire at one of our North American facilities. These proceeds were recorded against Service Cost of Sales in the Consolidated Statement of Earnings.

Irrigation segment

The decrease in Irrigation segment net sales in 2014, as compared with 2013, was mainly due to sales volume decreases in the North American market. The decrease in North America was offset to an extent by increased sales volumes in international markets. In North America, lower net farm income in 2014, as compared with 2013, and much lower sales backlogs at the beginning of the year resulted in lower sales of irrigation equipment in 2014, as compared with 2013. In fiscal 2014, net farm income in the United States is estimated to have decreased 25% from the record levels of 2013, due in part to lower market prices for corn and soybeans. We believe this reduction contributed to lower demand for irrigation machines in North America in 2014, as compared with 2013. In international markets, sales improved in 2014, as compared with 2013, mainly due to increased activity in Brazil, Middle East, South Africa, and Australia. These increases were offset somewhat by lower sales in China and eastern Europe, due to certain economic and political uncertainties in these regions.

Operating income for the segment declined in 2014 compared to 2013, due to the sales volume decrease and associated operating deleverage of fixed operating costs. The primary reasons for the slight decrease in SG&A expense in 2014, as compared with 2013, related to reduced incentives of $5.8 million and lower provisions for international receivables of $2.8 million, partially offset by increased product development spending, the acquisition of AgSense in August 2014, and increased employee headcount in the international business.

Other

This unit includes the grinding media, industrial tubing, and industrial fasteners operations. The decrease in sales in 2014, as compared with 2013, was mainly due lower sales volumes due to the deconsolidation of EMD in December 2013 ($38.6 million), lower sales volumes and pricing in the grinding media operations and exchange rate translation effects. Grinding media volumes and pricing were negatively affected by less favorable Australian mining industry demand. Tubing sales in 2014 were slightly lower due to lower volumes compared to 2013. Operating income in 2014 was lower than 2013, due to lower grinding media sales volumes and pricing, the deconsolidation of EMD in 2013, and currency translation effects.

Net corporate expense

Net corporate expense in 2014 decreased over 2013. These decreases were mainly due to:

- lower employee incentives associated with reduced net earnings ($17.1 million);
- decreased expenses associated with the Delta Pension Plan ($3.9 million); and
- decreased deferred compensation plan expense ($2.0 million). The deferred compensation expense recorded within corporate expense has a corresponding offset by the same amount in other income (expense).

FISCAL 2013 COMPARED WITH FISCAL 2012

Overview

On a consolidated basis, the increase in net sales in 2013, as compared with 2012, reflected improved sales in all reportable segments while sales were down in the "Other" category. The increase in net sales in 2013, as compared with 2012, was due to the following factors:

	Total	EIP	Utility	Coatings	Irrigation	Other
Sales—2012	$3,029.5	$833.3	$869.6	$282.1	$750.6	$293.9
Volume	120.3	9.2	9.3	(9.3)	114.7	(3.6)
Pricing/mix	98.2	(2.0)	80.8	1.4	27.5	(9.5)
Acquisitions	99.0	64.7	—	34.3	—	—
Currency translation	(42.8)	(7.7)	—	(7.5)	(10.6)	(17.0)
Sales—2013	$3,304.2	$897.5	$959.7	$301.0	$882.2	$263.8

Volume effects are estimated based on a physical production or sales measure, such as tons. As the products we sell are not uniform in nature, pricing and mix relate to a combination of changes in sales prices and the attributes of the product sold. Accordingly, pricing and mix changes do not necessarily result in increased operating income. Acquisitions included Locker Group Holdings ("Locker") and Pure Metal Galvanizing ("PMG"). We acquired PMG in December 2012 and Locker in February 2013. We report Locker in the Engineered Infrastructure Products segment and PMG in the Coatings segment.

In 2013, we realized a decrease in operating profit, as compared with 2012, due to currency translation effects. On average, the U.S. dollar strengthened in particular against the Australian dollar, Brazilian Real and the South Africa Rand, resulting in less operating profit in U.S. dollar terms. The breakdown of this effect by the affected segment was as follows:

Total	EIP	Coatings	Irrigation	Other	Corporate
$(5.5)	$(1.2)	$(1.1)	$(1.7)	$(1.7)	$0.2

The increase in gross margin (gross profit as a percent of sales) in 2013, as compared with 2012, was due to a combination of improved sales prices and sales mix, improved factory operations and moderating raw material costs in 2013, as compared with 2012. In general, our cost of steel and other raw materials were slightly lower in 2013, as compared with 2012. 2013 included a $12.2 million fixed asset impairment loss in our electrolytic manganese dioxide (EMD) operation, which was recorded as Product Cost of Sales. The impairment was a result of continued global oversupply of global manganese dioxide in the market, increased price competition and increasing input costs. In addition, a major customer advised us that its purchases from us in 2014 would be substantially below prior years. As future prospects for the operation were not as favorable as the past, we undertook an impairment review in the fourth quarter of 2013, which resulted in the $12.2 million impairment.

Selling, general and administrative (SG&A) spending in 2013 increased over 2012, mainly due to the following factors:

- Expenses recorded by Locker and PMG of $19.4 million;
- Increased employee incentive accruals of $13.8 million, due to improved operating results and increased share price in valuing long-term incentive plans;
- Increased compensation expenses of $8.2 million, mainly associated with increased employment levels and salary increases;
- Increased doubtful account provisions of $3.1 million, principally in the Irrigation segment, and;
- Increased deferred compensation expenses of $2.4 million, which was offset by the same amount of other income.

In addition, certain non-recurring items affecting the comparisons of SG&A expenses included:

- The sale of one of our galvanizing facilities in Australia resulted in a gain of $4.6 million in 2013, which was reported as a reduction of SG&A expense, and;
- Insurance proceeds received related to a fire in one of our galvanizing facilities in Australia resulted in a non-recurring reduction in SG&A in 2012 of $2.0 million.

On a reportable segment basis, all segments realized improved operating income in 2013, as compared with 2012.

Net interest expense increased in 2013, as compared with 2012, due to a combination of lower interest income and slightly higher interest expense. Interest income for 2013 was lower than 2012 due mainly to lower interest rates and lower average cash balances in Australia. The increase in interest expense principally was due to higher bank fees and interest incurred due to increased short-term borrowings to finance working capital in our India operation.

The increase in other income in 2013, as compared with 2012, mainly was attributable to $2.4 million of higher investment gains in our deferred compensation plan assets. This benefit was offset by an increase in SG&A expense of the same amount.

Our effective income tax rate in 2013 was comparable with 2012. In 2012 and 2013, U.K. tax rates were collectively reduced from 26% to 20%. Accordingly, we reduced the value of our deferred tax assets associated with net operating loss carryforwards and certain timing differences by $8.3 million in 2013 ($4.8 million in 2012), with a corresponding increase in income tax expense. The effects of the U.K. tax rate decrease were offset somewhat by approximately $3.2 million of tax benefits associated with the 2013 sale of our nonconsolidated investment in South Africa and $1.8 million of increased research and development tax credits in the U.S.

Earnings in non-consolidated subsidiaries were lower in 2013, as compared with 2012, due to the sale of our 49% owned manganese materials operation in February 2013. There was no significant gain or loss on the sale.

Earnings attributable to non-controlling interests in 2013 was lower than 2012, mainly due to the impairment loss recorded in our electromagnetic manganese dioxide (EMD) operation. The total after-tax impairment loss was approximately $8.8 million. Our proportionate share of this loss was $4.6 million ($0.17 per share) and the remainder was attributable to the non-controlling interest. This decrease was offset to a degree by improved earnings realized by our other operations that are less than 100% owned.

In December 2013, we reduced our ownership interest in the EMD operation to below 50% and deconsolidated this entity. Accordingly, we recognized a $12.0 million after-tax loss, or $0.45 per share, in accordance with the relevant accounting standards. The loss upon deconsolidation consisted of $8.6 million of currency translation adjustments previously recorded in the balance sheet and $3.4 million related to reducing the book value of the remaining EMD investment to fair value, including $1.7 million in deferred income taxes.

The reported earnings per share in 2013 of $10.35 included the deconsolidation and fixed asset impairment loss at EMD, which aggregated to $0.62 per share. The earnings per share improvement in 2013 over 2012 was the result of higher net earnings in 2013, as compared with 2012.

Our cash flows generated by operations were approximately $396.4 million in 2013, as compared with $197.1 million in 2012. The increase in operating cash flow in 2013 was the result of improved net earnings and less additional working capital to support the improved sales in 2013, as compared with 2012.

Engineered Infrastructure Products (EIP) segment

The increase in net sales in 2013, as compared with 2012, was mainly due to improved access systems and communication product sales. Global lighting sales in 2013 were comparable with 2012. The transportation market for lighting and traffic structures in the U.S., while stable, continues to be challenging, due in part to the lack of long-term U.S. federal highway funding legislation. Sales in other market channels such as sales to lighting fixture manufacturers and commercial construction projects in fiscal 2013 improved somewhat as compared with the same periods in 2012. In Europe, sales in 2013 were approximately 7% lower than 2012, as low economic growth and budget restrictions have hampered government roadway spending activity and demand for lighting structures.

Communication product line sales improved in 2013, as compared with 2012. On a regional basis, North American sales in 2013 improved over the same periods in 2012 by $16.9 million. The increase in North America sales was mainly attributable to stronger sales demand for components due to 4G wireless communication development. In China, sales of wireless communication structures in 2013 were lower than 2012, as we believe local wireless communication carriers have delayed their 4G investment upgrades until 2014.

Access systems product line sales improved in 2013, as compared with 2012, due to the Locker acquisition in February 2013. Otherwise, access systems sales in 2013 were lower than 2012, due a combination of slowness in mining sector investment in Australia, exchange rate effects due to a weaker Australian dollar in 2013 and related competitive pricing effects. Highway safety product sales in 2013 were comparable with 2012, as growth in spending for roads and highways in Australia continues to be affected by budgetary restrictions.

Operating income for the segment in 2013 increased, as compared with 2012, due primarily to:

- improved operating performance of our lighting operations as a result of better factory operating performance (approximately $18.2 million);
- improved North American communication product sales (approximately $5.9 million), and;
- operating profit generated from Locker (approximately $4.7 million).

The increase in SG&A spending was attributable to Locker (approximately $14.7 million). SG&A spending otherwise was lower in 2013, as compared with 2012, mainly associated with cost cutting measures taken in Europe in the third and fourth quarters of 2012.

Utility Support Structures (Utility) segment

In the Utility segment, the sales increase in 2013, as compared with 2012, was due mainly to improved sales in the U.S. market. International sales were slightly lower in 2013, as compared with 2012, as bid projects in the Asia Pacific region were somewhat lower.

In the U.S., electrical utility companies continue to invest in the electrical grid at a high rate, as evidenced by record backlogs at December 29, 2012 and continued strong order flow in 2013. Certain low margin orders that shipped and were completed in 2012 contributed to improved sales prices and mix in 2013, as compared with 2012.

Operating income in 2013, as compared with 2012, increased due to improved sales pricing and mix as well as increased volumes. The improvements in sales pricing and mix largely were related to strong market conditions and certain large low margin orders that were completed in 2012 and did not recur in 2013. In addition, 2012 included approximately $12.9 million of unanticipated production and rework costs associated with one large order. These costs did not recur in 2013, which contributed to the gross profit improvements in 2013, as compared with 2012. The increase in SG&A expense in 2013, as compared with 2012, were mainly due to increased employee compensation (approximately $3.6 million) and incentives (approximately $1.7 million) associated with the increase in business levels and operating income.

Coatings segment

Coatings segment sales increased in 2013, as compared with 2012, due mainly to the December 2012 PMG acquisition. North America experienced slightly lower external demand for galvanizing services, although internal demand from our other segments was higher in 2013, as compared with 2012. Asia Pacific volumes in 2013 were lower than 2012 due to lower demand in Australia. Unit pricing in 2013 was comparable with 2012.

The increase in segment operating income in 2013, as compared with 2012, was mainly due to the gain on the sale of an Australian galvanizing operation in the second quarter of 2013 of $4.6 million, and operating income provided by PMG (approximately $4.1 million). These two positive effects on 2013 operating income were offset to an extent by the effect of lower external demand for coatings services in Australia and the settlement of a dispute with a vendor of approximately $0.9 million in 2012.

In 2013, we had a kettle failure in one North America facility and a fire in another. In 2012, we realized recoveries related to fire and storm damages at one of our Australian galvanizing facilities. The effect of these events on 2013 operating profit was not significant, as the related insurance recoveries to this point approximated certain related incurred costs and the carrying value of assets that were damaged. The insurance claims process is continuing and expected to conclude in 2014.

Irrigation segment

The increase in Irrigation segment net sales in 2013, as compared with 2012, was mainly due to sales volume increases in both North American and International markets. The pricing and sales mix effect was generally due to sales price increases that took effect in 2012 to recover higher material costs in early 2012. In global markets, the sales growth was due to strong net farm income and agricultural economies around the world. We believe that farm commodity prices have been generally favorable due to strong demand, including consumption in the production of ethanol and other fuels, and traditionally low inventories of major farm commodities. In addition, in North America, we believe widespread drought throughout much of the country in 2012 further highlighted the benefits of center pivot irrigation and contributed to enhanced demand for our products. In international markets, sales improved in 2013, as compared with 2012, mainly due to increased activity in Brazil, Eastern Europe and Australia. These increases were offset somewhat by lower sales in China, Argentina and the Middle East, which were due to certain economic and political uncertainties in these regions.

Operating income for the segment improved in 2013 over 2012, due to improved global sales unit volumes and related price increases. Moderating raw material prices in light of higher selling prices also contributed to improved operating income in 2013, as compared with 2012. The most significant reasons for the increase in SG&A expense in 2013, as compared with 2012, related to employee compensation costs and incentives (approximately $7.3 million), approximately $2.6 million in provisions for international receivables recorded in 2013 and other expenses incurred to support the business activity levels and product development.

Other

This unit includes the grinding media, industrial tubing, EMD and industrial fasteners operations. The decrease in sales in 2013, as compared with 2012, was mainly due to lower sales prices in the tubing and grinding media operations due to lower steel prices and exchange rate translation effects. Operating income in 2013 was lower than 2012, mainly due to a $12.2 million fixed asset impairment charge recorded by the EMD operation. Otherwise, lower raw material prices helped to dampen the effects of lower selling prices on operating income.

Net corporate expense

Net corporate expense in 2013 increased over 2012. This increase were mainly due to:

- higher employee incentives of approximately $6.3 million associated with improved net earnings and share price, which affected long-term incentive plans;
- higher compensation and employee benefit costs (approximately $4.2 million);
- increased expenses associated with the Delta Pension Plan (approximately $2.5 million), and;
- insurance settlements realized in 2012 related to a fire and storm damage to one of our galvanizing facilities in Australia of $2.0 million that did not recur in 2013;

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Working Capital and Operating Cash Flows—Net working capital was $995.7 million at December 27, 2014, as compared with $1,161.3 million at December 28, 2013. The decrease in net working capital in 2014 mainly resulted from decreased cash on hand due to cash expenditures for acquisitions and purchase of treasury shares. Operating cash flow was $174.1 million in 2014, as compared with $396.4 million in 2013 and $197.1 million in 2012. The decrease in operating cash flow in 2014 mainly was the result of less favorable working capital and lower net earnings. The increase in

operating cash flow in 2013, as compared with fiscal 2012, mainly was the result of improved operations and management of working capital. The fiscal 2013 loss upon the deconsolidation of EMD of $12.0 million and the impairment of EMD's fixed assets of $12.2 were non-cash in nature.

Investing Cash Flows—Capital spending in fiscal 2014 was $73.0 million, as compared with $106.8 million in fiscal 2013. The most significant capital spending projects in 2014 included certain investments in machinery and equipment across all businesses. We expect our capital spending for the 2015 fiscal year to be approximately $80 million. In 2013, investing cash flows included proceeds from asset sales of $37.6 million, principally consisting of $29.2 million received from the sale of our 49% owned non-consolidated subsidiary in South Africa and $8.2 million received from the sale of the Western Australia galvanizing operation. Investing cash flows included $185.7 million paid for Valmont SM, AgSense and Shakespeare Composite acquisitions in 2014 and $63.2 million paid for the Locker and Armorflex acquisitions in 2013. 2012 included $45.7 million paid for the PMG acquisition.

Financing Cash Flows—Our total interest-bearing debt increased to $781.8 million at December 27, 2014, from $490.1 million at December 28, 2013 as a result of the issuance of $500 million face value of long-term unsecured notes and the repurchase by partial tender of $199.8 million of the 2020 senior notes. Financing cash flows in 2013 included approximately $9.3 million to acquire the remaining 40% of the shares of Valley Irrigation South Africa Pty. Ltd. and $11.6 million in cash held by EMD that was removed from our consolidated balance sheet upon deconsolidation. During 2014, we acquired approximately 2.7 million shares for approximately $395 million under a share repurchase program.

Capital Allocation Philosophy

We have historically funded our growth, capital spending and acquisitions through a combination of operating cash flows and debt financing. On May 13, 2014, our Board of Directors approved and publicly announced a new capital allocation philosophy with the following priorities for Valmont's capital:

- working capital and capital expenditure investments necessary for future sales growth;
- dividends on common stock in the range of 15% of the prior year's fully diluted net earnings;
- acquisitions;
- return of capital to shareholders through share repurchases.

We also announced our intention to manage our capital structure to maintain our investment grade debt rating. Our most recent ratings were Baa2 by Moody's Investors Services, Inc. and BBB+ by Standard and Poor's Rating Services. We would be willing to allow our debt rating to fall to Baa3 or BBB− to finance a special acquisition or other opportunity. Otherwise, we expect to maintain a ratio of debt to invested capital which will support our current investment grade debt rating.

The Board of Directors authorized the purchase of up to $500 million of the Company's outstanding common stock from time to time over twelve months at prevailing market prices, through open market or privately-negotiated transactions. The purchases will be funded from available working capital and short-term borrowings and will be made subject to market and economic conditions. We are not obligated to make any repurchases and may discontinue the program at any time. As of December 27, 2014, we have acquired approximately 2.7 million shares for approximately $395 million under this share repurchase program. As of February 18, 2015, the date as of which we report on the cover of this form 10-K the number of outstanding shares of our common stock, we have acquired a total of 2,964,477 shares for $425.4 million under the share repurchase program. In February 2015, the Board of Directors authorized an additional $250 million of purchase, without an expiration date. The most recent quarterly dividend, authorized by the Board of Directors in accordance with the capital allocation philosophy, was $0.375 per share paid on January 15, 2015.

Sources of Financing

Our debt financing at December 27, 2014 consisted primarily of long-term debt. During 2014, the Company issued $500 million of new notes and repurchased by partial tender $199.8 million in aggregate principal amount of the 2020 notes. Our long-term debt principally consists of:

- $250.2 million face value ($255.6 million carrying value) of senior unsecured notes that bear interest at 6.625% per annum and are due in April 2020. We are allowed to repurchase the notes subject to the payment of a make-whole premium.
- $250 million face value ($248.8 million carrying value) of senior unsecured notes that bear interest at 5.00% per annum and are due in October 2044. We are allowed to repurchase the notes subject to the payment of a make-whole premium.
- $250 million face value ($246.7 million carrying value) of senior unsecured notes that bear interest at 5.25% per annum and are due in October 2054. We are allowed to repurchase the notes subject to the payment of a make-whole premium.

On October 17, 2014, we entered into a First Amendment to our Credit Agreement with JPMorgan Chase Bank, as Administrative Agent, and the other lenders party thereto, dated as of August 15, 2012, which increased the committed unsecured revolving credit facility from $400 million to $600 million and extends the maturity date from August 15, 2017 to October 17, 2019. Under the amended credit agreement, up to $25 million is available for swingline loans, up to $75 million is available for letters of credit and up to $200 million is available for borrowings in foreign currencies. We may increase the revolving credit facility by up to an additional $200 million at any time, subject to participating banks increasing the amount of their lending commitments. The interest rate on our borrowings will be, at our option, either:

(a) LIBOR (based on a 1, 2, 3 or 6 month interest period, as selected by us) plus 100 to 162.5 basis points, depending on the credit rating of our senior debt published by Standard & Poor's Rating Services and Moody's Investors Service, Inc.; or

(b) the higher of

- the prime lending rate,
- the Federal Funds rate plus 50 basis points, and
- LIBOR (based on a 1 month interest period) plus 100 basis points (inclusive of facility fees),

Plus, in each case, 0 to 62.5 basis points, depending on the credit rating of our senior debt published by Standard & Poor's Rating Services and Moody's Investors Service, Inc.

A commitment fee is also required under the revolving credit facility which accrues at 10 to 27.5 basis points, depending on the credit rating of our senior debt published by Standard and Poor's Rating Services and Moody's Investor Services, Inc., on the average daily unused portion of the commitment under the revolving credit facility.

At December 27, 2014, we had no outstanding borrowings under the revolving credit facility. The revolving credit facility has a maturity date of August 15, 2017 and contains certain financial covenants that may limit our additional borrowing capability under the agreement. At December 27, 2014, we had the ability to borrow $582.4 million under this facility, after consideration of standby letters of credit of $17.6 million associated with certain insurance obligations. We also maintain certain short-term bank lines of credit totaling $108.6 million, $95.5 million of which was unused at December 27, 2014.

Our senior unsecured notes and revolving credit agreement each contain cross-default provisions which permit the acceleration of our indebtedness to them if we default on other indebtedness that results in, or permits, the acceleration of such other indebtedness.

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

- Interest-bearing debt is not to exceed 3.50x EBITDA of the prior four quarters; and
- EBITDA over the prior four quarters must be at least 2.50x our interest expense over the same period.

At December 27, 2014, we were in compliance with all covenants related to these debt agreements. The key covenant calculations at December 27, 2014 were as follows:

Interest-bearing debt	$781,787
EBITDA-last four quarters	413,684
Leverage ratio	1.89
EBITDA-last four quarters	$413,684
Interest expense-last four quarters	36,790
Interest earned ratio	11.24

The calculation of EBITDA-last four quarters is presented under the column for fiscal 2014 in footnote (b) to the table "Selected Five-Year Data" in Item 6—Selected Financial Data.

Our businesses are cyclical, but we have diversity in our markets, from a product, customer and a geographical standpoint. We have demonstrated the ability to effectively manage through business cycles and maintain liquidity. We have consistently generated operating cash flows in excess of our capital expenditures. Based on our available credit facilities, recent issuance of senior unsecured notes and our history of positive operational cash flows, we believe that we have adequate liquidity to meet our needs for fiscal 2015 and beyond.

We have not made any provision for U.S. income taxes in our financial statements on approximately $668.4 million of undistributed earnings of our foreign subsidiaries, as we intend to reinvest those earnings. Of our cash balances of $371.6 million at December 27, 2014, $297.5 million is held in entities outside the United States with approximately $89 million specifically held within consolidated Delta Ltd., a wholly-owned subsidiary of the Company. Delta Ltd. sponsors a defined benefit pension plan and therefore, the Company is allowed to dividend out Delta Ltd.'s available cash only as long as that dividend does not negatively impact Delta Ltd.'s ability to meet its annual contribution requirements of the pension plan. We believe that the cash payments Delta Ltd. receives from its intercompany notes will provide sufficient funds to meet the pension funding requirements but additional analysis on pension funding requirements would have to be performed prior to the repatriation of the $89 million of Delta Ltd.'s cash balances.

If we need to repatriate foreign cash balances to the United States to meet our cash needs, income taxes would be paid to the extent that those cash repatriations were undistributed earnings of our foreign subsidiaries. The income taxes that we would pay if cash were repatriated depends on the amounts to be repatriated and from which country. If we repatriated all of our cash outside the United States to the United States, depending on the timing and nature of such repatriations, we estimate that we would pay approximately $28.7 million in income taxes to repatriate that cash.

FINANCIAL OBLIGATIONS AND FINANCIAL COMMITMENTS

We have future financial obligations related to (1) payment of principal and interest on interest-bearing debt, (2) Delta pension plan contributions, (3) operating leases and (4) purchase obligations. These obligations at December 27, 2014 were as follows (in millions of dollars):

Contractual Obligations	Total	2015	2016 - 2017	2018 - 2019	After 2019
Long-term debt	$ 767.8	$ 1.2	$ 2.4	$ 2.0	$ 762.2
Interest	993.5	42.5	85.0	84.8	781.2
Delta pension plan contributions	172.6	17.3	34.5	34.5	86.3
Operating leases	116.7	24.5	35.9	21.3	35.0
Acquisition earn-out payments	4.3	—	4.3	—	—
Unconditional purchase commitments	75.3	75.0	0.3	—	—
Total contractual cash obligations	$2,130.2	$160.5	$162.4	$142.6	$1,664.7

Long-term debt mainly consisted of $750.2 million principal amount of senior unsecured notes. At December 27, 2014, we had no outstanding borrowings under our bank revolving credit agreement. Obligations under these agreements may be accelerated in event of non-compliance with debt covenants. The Delta pension plan contributions are related to the current cash funding commitments to the plan with the plan's trustees. Operating leases relate mainly to various production and office facilities and are in the normal course of business.

Acquisition earn-out payments relate to anticipated payments to the prior owners of Pure Metal Galvanizing (PMG), as a portion of the consideration paid for this business is contingent in nature. The earn-out arrangement generally relates to the meeting of certain profitability targets. The target period for PMG ends in December 2017.

Unconditional purchase commitments relate to purchase orders for zinc, aluminum and steel, all of which we plan to use in 2015, and certain capital investments planned for 2015. We believe the quantities under contract are reasonable in light of normal fluctuations in business levels and we expect to use the commodities under contract during the contract period.

At December 27, 2014, we had approximately $43.8 million of various long-term liabilities related to certain income tax, environmental and other matters. These items are not scheduled above because we are unable to make a reasonably reliable estimate as to the timing of any potential payments.

OFF BALANCE SHEET ARRANGEMENTS

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

MARKET RISK

Changes in Prices

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

Risk Management

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

Interest Rates—Our interest-bearing debt at December 27, 2014 was mostly fixed rate debt. In the third quarter of 2014, the Company executed a derivative contract to lock in the treasury rate on $125,000 of the $250,000 aggregate principal amount of the Company's 5.00% Senior Notes due 2044 (the "2044 Notes") and a second derivative contract to lock in the base interest rate on $125,000 of the $250,000 aggregate principal amount of the Company's 5.25% Senior Notes due 2054 (the "2054 Notes"). These derivatives were settled in the third quarter of 2014. Our notes payable and a small portion of our long-term debt accrue interest at a variable rate. Assuming average interest rates and borrowings on variable rate debt, a hypothetical 10% change in interest rates would have affected our interest expense in 2014 and 2013 by approximately $0.2 million and $0.2 million, respectively. Likewise, we have excess cash balances on deposit in interest-bearing accounts in financial institutions. An increase or decrease in interest rates of ten basis points would have impacted our annual interest earnings in 2014 by approximately $0.3 million.

Foreign Exchange—Exposures to transactions denominated in a currency other than the entity's functional currency are not material, and therefore the potential exchange losses in future earnings, fair value and cash flows from these transactions are not material. From time to time, as market conditions indicate, we will enter into foreign currency contracts to manage the risks associated with anticipated future transactions and current balance sheet positions that are in currencies other than the functional currencies of our operations. At December 27, 2014, the Company had a number of open foreign currency forward contracts, including some related to a large sales contract that will be settled in Canadian dollars. The notional amount for these forward contracts to sell Canadian dollars is $14,757 and will be settled over the first nine months of 2015. Much of our cash in non-U.S. entities is denominated in foreign currencies, where fluctuations in exchange rates will impact our cash balances in U.S. dollar terms. A hypothetical 10% change in the value of the U.S. dollar would impact our reported cash balance by approximately $26.1 million in 2014 and $32.7 million in 2013.

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

	2014	2013
	(in millions)	
Australian dollar	$24.6	$24.0
Chinese Renminbi	14.0	14.9
Danish Krone	13.8	—
U.K. pound	6.5	3.5
Euro	8.1	5.7
Canadian dollar	6.4	8.1
Brazilian real	3.3	3.2

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

The objective of this policy is to mitigate the impact on our earnings of sudden, significant increases in the price of natural gas. At December 27, 2014, we have open natural gas swaps for 80,000 MMBtu.

CRITICAL ACCOUNTING POLICIES

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

Allowance for Doubtful Accounts

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

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

If our customer's financial condition was to deteriorate, resulting in an impaired ability to make payment, additional allowances may be required. As the Company's international Irrigation business has grown, the exposure to potential losses in international markets has also increased. These exposures can be difficult to estimate, particularly in areas of political instability, or with governments with which the Company has limited experience, or where there is a lack of transparency as to the current credit condition of governmental units. As of December 27, 2014, the Company had approximately $12 million in delinquent accounts receivable with Chinese governmental entities with a specific allowance recorded against it based on our estimation of what will not be fully collected. During 2014, the Company received payments of $2.2 million on these receivables. Receivables that are not reasonably expected to be realized in cash within the next twelve months are classified as long-term receivables within other assets. The Company's allowance for doubtful accounts related to both current and long-term accounts receivables was $9.9 million at December 27, 2014 and $10.4 million at December 28, 2013.

Warranties

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

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

In addition to known claims or warranty issues, we estimate future claims on recent sales. The key assumptions in our estimates are the rates we apply to those recent sales (which is based on historical claims experience) and our expected future warranty costs for products that are covered under warranty for an extended period of time. Our provision for various product warranties was approximately $19.8 million at December 27, 2014. If our estimate changed by 50%, the impact on operating income would be approximately $9.9 million. If our cost to repair a product or the number of products subject to warranty claims is greater than we estimated, then we would have to increase our accrued cost for warranty claims.

Inventories

We use the last-in first-out (LIFO) method to determine the value of approximately 44% of our inventory. The remaining 56% of our inventory is valued on a first-in first-out (FIFO) basis. In periods of rising costs to produce inventory, the LIFO method will result in lower profits than FIFO, because higher more recent costs are recorded to cost of goods sold than under the FIFO method. Conversely, in periods of falling costs to produce inventory, the LIFO method will result in higher profits than the FIFO method.

In 2014, we experienced higher costs to produce inventory than in the prior year, due mainly to higher cost for steel and steel-related products. This resulted in higher cost of goods sold (and lower operating income) in 2014 of approximately $2.0 million, than had our entire inventory been valued on the FIFO method. In 2013 and 2012, we experienced lower costs compared to previous years and operating income was higher by approximately $0.6 million and $3.7 million, respectively, than had our entire inventory been valued on the FIFO method.

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

Depreciation, Amortization and Impairment of Long-Lived Assets

Our long-lived assets consist primarily of property, plant and equipment, goodwill and intangible assets acquired in business acquisitions. We have assigned useful lives to our property, plant and equipment and certain intangible assets ranging from 3 to 40 years. In 2013, we determined that the property, plant and equipment in our EMD operation was impaired. The impairment was due to continued global oversupply of global manganese dioxide in the market, increased price competition and increasing input costs. In addition, a major customer advised us that its purchases of EMD in 2014 would be substantially below prior years. As future prospects for the operation were not as favorable as the past, the company undertook an impairment review in the fourth quarter of 2013, which resulted in the $12.2 million impairment.

We identified thirteen reporting units for purposes of evaluating goodwill and we annually evaluate our reporting units for goodwill impairment during the third fiscal quarter, which usually coincides with our strategic planning process. We assess the value of our reporting units using after-tax cash flows from operations (less capital expenses) discounted to present value and as a multiple of earnings before interest, taxes, depreciation and amortization (EBITDA). The key assumptions in the discounted cash flow analysis are the discount rate and the projected cash flows. We also use sensitivity analysis to determine the impact of changes in discount rates and cash flow forecasts on the valuation of the reporting units. As allowed for under current accounting standards, we rely on our previous valuations for the annual impairment testing provided that the following criteria for each reporting unit are met: (1) the assets and liabilities that make up the reporting unit have not changed significantly since

the most recent fair value determination and (2) the most recent fair value determination resulted in an amount that exceeded the carrying amount of the reporting unit by a substantial margin.

The valuation of our reporting units exceeded their respective carrying values by a substantial margin except the APAC Coatings reporting unit in the Coatings segment, which has goodwill of $18.5 million and an excess of fair value over carrying value of approximately $10 million. Accordingly, no further valuation of our reporting units was necessary. If our assumptions on discount rates and future cash flows change as a result of events or circumstances, and we believe these assets may have declined in value, then we may record impairment charges, resulting in lower profits. In the event the discount rate increased by 100 basis points, we would have to further evaluate the APAC Coatings reporting unit for possible impairment. If our assumptions on discount rates and future cash flows change as a result of events or circumstances, and we believe these assets may have declined in value, then we may record impairment charges, resulting in lower profits. Our reporting units are all cyclical and their sales and profitability may fluctuate from year to year. In the evaluation of our reporting units, we look at the long-term prospects for the reporting unit and recognize that current performance may not be the best indicator of future prospects or value, which requires management judgment.

Our indefinite-lived intangible assets consist of trade names. We assess the values of these assets apart from goodwill as part of the annual impairment testing. We use the relief-from-royalty method to evaluate our trade names, under which the value of a trade name is determined based on a royalty that could be charged to a third party for using the trade name in question. The royalty, which is based on a reasonable rate applied against estimated future sales, is tax-effected and discounted to present value. The most significant assumptions in this evaluation include estimated future sales, the royalty rate and the after-tax discount rate. For our evaluation purposes, the royalty rates used vary between 0.5% and 1.5% of sales and the after-tax discount rate of 13.5% to 19.0%, which we estimate to be the after-tax cost of capital for such assets. The Company's trade names were tested for impairment in the third quarter of 2014 and 2013 and the Company determined that the value of its trade names were not impaired.

Income Taxes

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

At December 27, 2014, we had approximately $148.5 million in deferred tax assets relating to tax credits and loss carryforwards, with a valuation allowance of $104.5 million, including $95.1 million in valuation allowances remaining in the Delta entities related to capital loss carryforwards, which are unlikely ever to be realized. If circumstances related to our deferred tax assets change in the future, we may be required to increase or decrease the valuation allowance on these assets, resulting in an increase or decrease in income tax expense and a reduction or increase in net income.

During 2014, we recorded an income tax benefit of $3.9 million, as a result of restructuring in 2014 and a change in management's assertions regarding foreign investment opportunities. All foreign subsidiaries are considered permanently invested at December 27, 2014. We have not made any U.S. income tax provision in our financial statements for $668.4 million of undistributed earnings of our foreign subsidiaries, as we intend to reinvest those earnings. Foreign subsidiaries considered permanently invested had total cash of $297.5 million at December 27, 2014. If circumstances change

and we determine that we are not permanently invested, we would need to record an income tax expense on our financial statements for the resulting income tax that would be paid upon repatriation. The amount of that income tax would depend on how much of those earnings were repatriated and the related timing but could range from a low of $28.7 million to a high of $103.9 million.

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

Pension Benefits

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

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

- Discount rate is based on the yields available on AA-rated corporate bonds with durational periods similar to that of the pension liabilities.
- Expected return on plan assets is based on our asset allocation mix and our historical return, taking into consideration current and expected market conditions. Most of the assets in the pension plan are invested in corporate bonds, the expected return of which are estimated based on the yield available on AA rated corporate bonds. The long-term expected returns on equities are based on historic performance over the long-term.
- Inflation is based on the estimated change in the consumer price index (“CPI”) or the retail price index (“RPI”), depending on the relevant plan provisions.

The following tables present the key assumptions used to measure pension expense for 2015 and the estimated impact on 2015 pension expense relative to a change in those assumptions:

Assumptions	Pension
Discount rate	3.65%
Expected return on plan assets	5.00%
Inflation—CPI	2.10%
Inflation—RPI	3.20%

Assumptions In Millions of Dollars	Increase in Pension Expense
0.50% decrease in discount rate	$0.7
0.50% decrease in expected return on plan assets	$2.5
0.50% increase in inflation	$2.3

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

The information required is included under the captioned paragraph, “Risk Management” on page 34 of this report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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

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Consolidated Financial Statements	
Report of Independent Registered Public Accounting Firm	47
Consolidated Statements of Earnings—Three-Year Period Ended December 27, 2014	48
Consolidated Statements of Comprehensive Income—Three-Year Period Ended December 27, 2014	49
Consolidated Balance Sheets—December 27, 2014 and December 28, 2013	50
Consolidated Statements of Cash Flows—Three-Year Period Ended December 27, 2014	51
Consolidated Statements of Shareholders' Equity—Three-Year Period Ended December 27, 2014	52
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Valmont Industries, Inc. and subsidiaries (the "Company") as of December 27, 2014 and December 28, 2013, and the related consolidated statements of earnings, comprehensive income, shareholders' equity, and cash flows for each of the three fiscal years in the period ended December 27, 2014. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Valmont Industries, Inc. and subsidiaries as of December 27, 2014 and December 28, 2013, and the results of their operations and their cash flows for each of the three fiscal years in the period ended December 27, 2014, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 27, 2014, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2015 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP
Omaha, Nebraska
February 25, 2015

Valmont Industries, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS

Three-year period ended December 27, 2014

(Dollars in thousands, except per share amounts)

	2014	2013	2012
Product sales	$2,824,456	$2,976,359	$2,721,512
Services sales	298,687	327,852	308,029
Net sales	3,123,143	3,304,211	3,029,541
Product cost of sales	2,118,687	2,144,942	2,032,030
Services cost of sales	196,339	214,041	195,055
Total cost of sales	2,315,026	2,358,983	2,227,085
Gross profit	808,117	945,228	802,456
Selling, general and administrative expenses	450,401	472,159	420,160
Operating income	357,716	473,069	382,296
Other income (expenses):			
Interest expense	(36,790)	(32,502)	(31,625)
Interest income	6,046	6,477	8,272
Costs associated with refinancing of debt	(38,705)	—	—
Other	(4,084)	2,373	347
	(73,533)	(23,652)	(23,006)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	284,183	449,417	359,290
Income tax expense (benefit):			
Current	89,643	167,922	122,782
Deferred	5,251	(10,141)	3,720
	94,894	157,781	126,502
Earnings before equity in earnings of nonconsolidated subsidiaries	189,289	291,636	232,788
Equity in earnings of nonconsolidated subsidiaries	29	835	6,128
Loss from deconsolidation of subsidiary	—	(12,011)	—
Net earnings	189,318	280,460	238,916
Less: Earnings attributable to noncontrolling interests	(5,342)	(1,971)	(4,844)
Net earnings attributable to Valmont Industries, Inc.	$ 183,976	$ 278,489	$ 234,072
Earnings per share:			
Basic	$ 7.15	$ 10.45	$ 8.84
Diluted	$ 7.09	$ 10.35	$ 8.75
Cash dividends declared per share	$ 1.375	$ 0.975	$ 0.855

See accompanying notes to consolidated financial statements.

Valmont Industries, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three-year period ended December 27, 2014

(Dollars in thousands)

	2014	2013	2012
Net earnings	$189,318	$280,460	$238,916
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments:			
Unrealized gains (losses) arising during the period	(82,275)	(71,698)	15,741
Realized loss on sale of foreign entity investment included in other expense	—	5,194	—
Realized loss on deconsolidation of subsidiary	—	8,559	—
	(82,275)	(57,945)	15,741
Unrealized gain (loss) on cash flow hedge:			
Loss arising during the period	983	—	—
Gain (deferred) on cash flow hedges	4,837	—	—
Amortization cost included in interest expense	594	400	400
	6,414	400	400
Actuarial gain (loss) in defined benefit pension plan liability, net of tax expense (benefit) of ($3,450) in 2014, ($10,143) in 2013 and ($12,377) in 2012	(13,709)	(41,282)	(35,020)
Other comprehensive income (loss)	(89,570)	(98,827)	(18,879)
Comprehensive income	99,748	181,633	220,037
Comprehensive income attributable to noncontrolling interests	(2,520)	(9,174)	(6,079)
Comprehensive income attributable to Valmont Industries, Inc.	$ 97,228	$172,459	$213,958

See accompanying notes to consolidated financial statements.

Valmont Industries, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 27, 2014 and December 28, 2013

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

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 371,579	$ 613,706
Receivables, less allowance for doubtful receivables of $6,672 in 2014 and $10,369 in 2013	536,918	515,440
Inventories	359,522	380,000
Prepaid expenses	56,912	22,997
Refundable and deferred income taxes	68,010	65,697
Total current assets	1,392,941	1,597,840
Property, plant and equipment, at cost	1,139,569	1,017,126
Less accumulated depreciation and amortization	533,116	482,916
Net property, plant and equipment	606,453	534,210
Goodwill	385,111	349,632
Other intangible assets	202,004	170,917
Other assets, less allowance for doubtful receivables of $3,250 in 2014 and $0 in 2013	143,159	123,895
Total assets	$2,729,668	$2,776,494
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current installments of long-term debt	$ 1,181	$ 202
Notes payable to banks	13,952	19,024
Accounts payable	196,565	216,121
Accrued employee compensation and benefits	87,950	122,967
Accrued expenses	88,480	71,560
Dividends payable	9,086	6,706
Total current liabilities	397,214	436,580
Deferred income taxes	71,797	78,924
Long-term debt, excluding current installments	766,654	470,907
Defined benefit pension liability	150,124	154,397
Deferred compensation	47,932	39,109
Other noncurrent liabilities	45,542	51,731
Commitments and contingencies (Note 18)		
Shareholders' equity:		
Preferred stock of $1 par value		
Authorized 500,000 shares; none issued	—	—
Common stock of $1 par value		
Authorized 75,000,000 shares; issued 27,900,000 shares	27,900	27,900
Additional paid-in capital	—	—
Retained earnings	1,718,662	1,562,670
Accumulated other comprehensive income	(134,433)	(47,685)
Cost of treasury stock, common shares of 3,670,781 in 2014 and 1,075,039 in 2013	(410,296)	(20,860)
Total Valmont Industries, Inc. shareholders' equity	1,201,833	1,522,025
Noncontrolling interest in consolidated subsidiaries	48,572	22,821
Total shareholders' equity	1,250,405	1,544,846
Total liabilities and shareholders' equity	$2,729,668	$2,776,494

See accompanying notes to consolidated financial statements.

Valmont Industries, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three-year period ended December 27, 2014 (Dollars in thousands)

	2014	2013	2012
Cash flows from operating activities:			
Net earnings	$ 189,318	$ 280,460	$ 238,916
Adjustments to reconcile net earnings to net cash flows from operations:			
Depreciation and amortization	89,328	77,436	70,218
Loss on investment	3,795	—	—
Deconsolidation of subsidiary	—	12,011	—
Impairment of property, plant and equipment	—	12,161	—
Non-cash debt refinancing costs	(2,478)	—	—
Stock-based compensation	6,730	6,513	5,829
Defined benefit pension plan expense	2,638	6,569	4,281
Contribution to defined benefit pension plan	(18,173)	(17,619)	(11,591)
Change in fair value of contingent consideration	(4,300)	—	—
(Gain) loss on sale of property, plant and equipment	392	(4,318)	321
Equity in earnings in nonconsolidated subsidiaries	(29)	(835)	(6,128)
Deferred income taxes	5,251	(10,141)	3,720
Changes in assets and liabilities (net of the effect from acquisitions):			
Receivables	907	(12,708)	(84,890)
Inventories	21,458	13,431	(13,613)
Prepaid expenses	(13,594)	4,115	1,243
Accounts payable	(34,321)	12,448	(6,249)
Accrued expenses	(34,778)	21,698	20,640
Other noncurrent liabilities	1,755	(1,474)	(4,350)
Income taxes payable (refundable)	(39,803)	(3,305)	(21,250)
Net cash flows from operating activities	174,096	396,442	197,097
Cash flows from investing activities:			
Purchase of property, plant and equipment	(73,023)	(106,753)	(97,074)
Acquisitions (net of cash acquired)	(185,710)	(63,152)	(45,687)
Proceeds from sale of assets	2,489	37,582	6,025
Other, net	(619)	602	44
Net cash flows from investing activities	(256,863)	(131,721)	(136,692)
Cash flows from financing activities:			
Net borrowings under short-term agreements	(4,472)	5,510	1,828
Proceeds from long-term borrowings	652,211	274	39,126
Principal payments on long-term obligations	(357,858)	(591)	(39,564)
Cash decrease due to deconsolidation of subsidiary	—	(11,615)	—
Dividends paid	(32,443)	(25,414)	(21,520)
Dividends to noncontrolling interest	(2,919)	(1,767)	(1,944)
Purchase of noncontrolling interest	—	(9,324)	—
Proceeds from sale of partial ownership interest	—	—	1,404
Settlement of financial derivative	4,981	—	—
Debt issuance fees	(7,644)	—	(1,747)
Proceeds from exercises under stock plans	14,572	16,348	21,827
Excess tax benefits from stock option exercises	4,264	5,306	5,494
Purchase of treasury shares	(395,045)	—	—
Purchase of common treasury shares—stock plan exercises	(15,403)	(16,107)	(21,259)
Net cash flows from financing activities	(139,756)	(37,380)	(16,355)
Effect of exchange rate changes on cash and cash equivalents	(19,604)	(27,764)	7,185
Net change in cash and cash equivalents	(242,127)	199,577	51,235
Cash and cash equivalents—beginning of year	613,706	414,129	362,894
Cash and cash equivalents—end of year	$ 371,579	$ 613,706	$ 414,129

See accompanying notes to consolidated financial statements.

Valmont Industries, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Three-year period ended December 27, 2014

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

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Noncontrolling interest in consolidated subsidiaries	Total shareholders' equity
Balance at December 31, 2011	$27,900	$ —	$1,079,698	$ 64,052	$ (24,688)	$ 50,949	$1,197,911
Net earnings	—	—	234,072	—	—	4,844	238,916
Other comprehensive income (loss)	—	—	—	(20,114)	—	1,235	(18,879)
Cash dividends declared ($0.855 per share)	—	—	(22,756)	—	—	—	(22,756)
Dividends to noncontrolling interests	—	—	—	—	—	(1,944)	(1,944)
Sale of partial ownership interest	—	(610)	—	—	—	2,014	1,404
Stock plan exercises; 174,943 shares acquired	—	—	—	—	(21,259)	—	(21,259)
Stock options exercised; 341,090 shares issued	—	(10,713)	9,515	—	23,025	—	21,827
Tax benefit from stock option exercises	—	5,494	—	—	—	—	5,494
Stock option expense	—	4,934	—	—	—	—	4,934
Stock awards; 20,998 issued	—	895	—	—	467	—	1,362
Balance at December 29, 2012	27,900	—	1,300,529	43,938	(22,455)	57,098	1,407,010
Net earnings	—	—	278,489	—	—	1,971	280,460
Other comprehensive loss	—	—	—	(91,623)	—	(7,204)	(98,827)
Cash dividends declared ($0.975 per share)	—	—	(26,118)	—	—	—	(26,118)
Dividends to noncontrolling interests	—	—	—	—	—	(1,767)	(1,767)
Purchase of noncontrolling interest	—	(2,038)	—	—	—	(7,286)	(9,324)
Deconsolidation of EMD	—	—	—	—	—	(20,316)	(20,316)
Acquisition of Locker	—	—	—	—	—	325	325
Stock plan exercises; 103,023 shares acquired	—	—	—	—	(16,107)	—	(16,107)
Stock options exercised; 216,105 shares issued	—	(9,781)	9,770	—	16,359	—	16,348
Tax benefit from stock option exercises	—	5,306	—	—	—	—	5,306
Stock option expense	—	5,194	—	—	—	—	5,194
Stock awards; 33,721 shares issued	—	1,319	—	—	1,343	—	2,662
Balance at December 28, 2013	27,900	—	1,562,670	(47,685)	(20,860)	22,821	1,544,846
Net earnings	—	—	183,976	—	—	5,342	189,318
Other comprehensive loss	—	—	—	(86,748)	—	(2,822)	(89,570)
Cash dividends declared ($1.375 per share)	—	—	(35,036)	—	—	—	(35,036)
Dividends to noncontrolling interests	—	—	—	—	—	(2,919)	(2,919)
Acquisition of DS SM	—	—	—	—	—	9,309	9,309
Acquisition of AgSense	—	—	—	—	—	16,333	16,333
Addition of noncontrolling interest	—	—	—	—	—	508	508
Stock plan exercises; 97,974 shares acquired	—	—	—	—	(15,403)	—	(15,403)
Purchase of treasury shares; 2,711,149 shares acquired	—	—	—	—	(395,045)	—	(395,045)
Stock options exercised; 194,627 shares issued	—	(10,994)	7,052	—	18,514	—	14,572
Tax benefit from stock option exercises	—	4,264	—	—	—	—	4,264
Stock option expense	—	4,461	—	—	—	—	4,461
Stock awards; 22,010 shares issued	—	2,269	—	—	2,498	—	4,767
Balance at December 27, 2014	$27,900	$ —	$1,718,662	$(134,433)	$(410,296)	$ 48,572	$1,250,405

See accompanying notes to consolidated financial statements.

Valmont Industries, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Three-year period ended Balance at December 27, 2014

(Dollars in thousands, except per share amounts)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Valmont Industries, Inc. and its wholly and majority-owned subsidiaries (the Company). The investment in Delta EMD Pty. Ltd ("EMD") was recorded at fair value subsequent to its deconsolidation in 2013. Investments in other 20% to 50% owned affiliates and joint ventures are accounted for by the equity method. Investments in less than 20% owned affiliates are accounted for by the cost method. All significant intercompany items have been eliminated.

Cash overdrafts

Cash book overdrafts totaling $18,038 and $21,713 were classified as accounts payable at December 27, 2014 and December 28, 2013, respectively. The Company's policy is to report the change in book overdrafts as an operating activity in the Consolidated Statements of Cash Flows.

Segments

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

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

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

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

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

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

Fiscal Year

The Company operates on a 52 or 53 week fiscal year with each year ending on the last Saturday in December. Accordingly, the Company's fiscal years ended December 27, 2014 and December 28, 2013 consisted of 52 weeks.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

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

Inventories

Approximately 44% and 43% of inventory is valued at the lower of cost, determined on the last-in, first-out (LIFO) method, or market as of December 27, 2014 and December 28, 2013, respectively. All other inventory is valued at the lower of cost, determined on the first-in, first-out (FIFO) method or market. Finished goods and manufactured goods inventories include the costs of acquired raw materials and related factory labor and overhead charges required to convert raw materials to manufactured and finished goods. The excess of replacement cost of inventories over the LIFO value is approximately $47,178 and $45,204 at December 27, 2014 and December 28, 2013, respectively.

Long-Lived Assets

Property, plant and equipment are recorded at historical cost. The Company generally uses the straight-line method in computing depreciation and amortization for financial reporting purposes and accelerated methods for income tax purposes. The annual provisions for depreciation and amortization have been computed principally in accordance with the following ranges of asset lives: buildings and improvements 15 to 40 years, machinery and equipment 3 to 12 years, transportation equipment 3 to 24 years, office furniture and equipment 3 to 7 years and intangible assets 5 to 20 years. Depreciation expense in fiscal 2014, 2013 and 2012 was $73,395, $62,291 and $55,559, respectively.

An impairment loss is recognized if the carrying amount of an asset may not be recoverable and exceeds estimated future undiscounted cash flows of the asset. A recognized impairment loss reduces the carrying amount of the asset to its fair value. There were no impairment losses recorded in 2014. In November 2013, it was determined that the carrying amount of certain fixed assets of Delta EMD, Ltd. were not recoverable and an impairment loss of $12,161 was recorded to reduce the carrying amount of the fixed assets to fair value. The impairment was a result of continued global oversupply of manganese dioxide in the market, increased price competition and increasing input costs. In addition, a major customer advised us that its purchases of EMD in 2014 would be substantially below prior years. This charge was recorded in Product Cost of Sales in the Consolidated Statements of Earnings.

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company uses the asset and liability method to calculate deferred income taxes. Deferred tax assets and liabilities are recognized on temporary differences between financial statement and tax bases of assets and liabilities using enacted tax rates. The effect of tax rate changes on deferred tax assets and liabilities is recognized in income during the period that includes the enactment date.

Warranties

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

Pension Benefits

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

Derivative Instrument

The Company may enter into derivative financial instruments to manage risk associated with fluctuation in interest rates, foreign currency rates or commodities. Where applicable, the Company may elect to account for such derivatives as either a cash flow or fair value hedge.

Comprehensive Income

Comprehensive income includes net income, currency translation adjustments, certain derivative-related activity and changes in net actuarial gains/losses from a pension plan. Results of operations for foreign subsidiaries are translated using the average exchange rates during the period. Assets and liabilities are translated at the exchange rates in effect on the balance sheet dates. The components of accumulated other comprehensive income (loss) consisted of the following:

	Foreign Currency Translation Adjustments	Unrealized Gain (Loss) on Cash Flow Hedge	Defined Benefit Pension Plan	Accumulated Other Comprehensive Income
Balance at December 28, 2013	$(20,165)	$(2,535)	$(24,985)	$ (47,685)
Current-period comprehensive income (loss)	(79,453)	6,414	(13,709)	(86,748)
Balance at December 27, 2014	$(99,618)	$ 3,879	$(38,694)	$(134,433)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

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

Use of Estimates

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

Equity Method Investments

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

Treasury Stock

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

On May 13, 2014, the Company announced a new capital allocation philosophy which covered a share repurchase program. Specifically, the Board of Directors authorized the purchase of up to $500 million of the Company's outstanding common stock from time to time over twelve months at prevailing market prices, through open market or privately-negotiated transactions. As of December 27, 2014, the Company has acquired 2,711,149 shares for approximately $395.0 million under this share

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

repurchase program. In February 2015, the Board of Directors authorized an additional $250 million of purchase, without an expiration date.

Research and Development

Research and development costs are charged to operations in the year incurred. These costs are a component of "Selling, general and administrative expenses" on the Consolidated Statements of Earnings. Research and development expenses were approximately $13,900 in 2014, $10,200 in 2013, and $7,100 in 2012.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") 605, Revenue Recognition. The new revenue recognition standard requires entities to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 is effective for interim and annual reporting periods beginning after December 15, 2016 and is to be applied retrospectively. Early application is not permitted. The Company is currently evaluating the effect that adopting this new accounting guidance will have on its consolidated results of operations and financial position.

(2) ACQUISITIONS AND DECONSOLIDATION

Acquisitions of Businesses

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

(2) ACQUISITIONS AND DECONSOLIDATION (Continued)

The Company finalized the fair value measurement process and purchase price allocation in the fourth quarter of 2014. The following table summarizes the fair values of the assets acquired and liabilities assumed as of the date of acquisition.

	At March 3, 2014
Current assets	$ 73,421
Property, plant and equipment	85,638
Intangible assets	30,340
Goodwill	16,803
Total fair value of assets acquired	$206,202
Current liabilities	47,754
Deferred income taxes	19,715
Intercompany note payable	37,448
Long-term debt	8,941
Total fair value of liabilities assumed	113,858
Non-controlling interests	9,309
Net assets acquired	$ 83,035

The Company's Condensed Consolidated Statements of Earnings for the 52 weeks ended December 27, 2014 included net sales of $146,432 and net earnings of $9,139, resulting from Valmont SM's operations from March 3, 2014 to December 27, 2014.

Based on the fair value assessments, the Company allocated $30,340 of the purchase price to acquired intangible assets. The following table summarizes the major classes of Valmont SM's acquired intangible assets and the respective weighted average amortization periods:

	Amount	Weighted Average Amortization Period (Years)
Trade Names	$11,470	Indefinite
Backlog	3,145	1.5
Customer Relationships	15,725	12.0
Total Intangible Assets	$30,340	

On October 6, 2014, the Company acquired Shakespeare Composite Structures (Shakespeare) for $48,272 in cash, plus assumed liabilities. Shakespeare is a manufacturer of fiberglass reinforced composite structures and products with two manufacturing facilities in South Carolina. Shakespeare's annual sales are approximately $55,000 and its operations will be included in the Engineered Infrastructure Products segment. The acquisition of Shakespeare was completed to expand our product offering of composite structure solutions.

(2) ACQUISITIONS AND DECONSOLIDATION (Continued)

The preliminary fair value measurement disclosed below is subject to management reviews and completion of the fair value measurements of the assets acquired and liabilities assumed. The Company expects the fair value measurement process and purchase price allocation to be completed in the first half of 2015.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed as of the date of the Shakespeare acquisition (goodwill is not deductible for tax purposes):

	At October 6, 2014
Current assets	$12,532
Property, plant and equipment	10,694
Intangible assets	13,500
Goodwill	15,416
Total fair value of assets acquired	$52,142
Current liabilities	3,870
Net assets acquired	$48,272

The Company's Consolidated Statements of Earnings for the 52 weeks ended December 27, 2014 includes net sales and earnings of $12,321 and $958, respectively, resulting from Shakespeare's operations from October 6, 2014 to December 27, 2014.

Based on the preliminary fair value assessments, the Company allocated $13,500 of the purchase price to acquired intangible assets. The following table summarizes the major classes of Shakespeare acquired intangible assets and the respective weighted-average amortization periods:

	Amount	Weighted Average Amortization Period (Years)
Trade Names	$ 4,000	Indefinite
Customer Relationships	9,500	15.0
Total Intangible Assets	$13,500	

On August 25, 2014, the Company acquired 51% of AgSense, LLC (AgSense) for $17,000 in cash. AgSense operates in South Dakota and is the creator of global WagNet network which provides growers with a more complete view of their entire farming operation by tying irrigation decision making to field, crop and weather conditions. In the measurement of fair values of assets acquired and liabilities assumed, goodwill of $17,193 and $16,083 of customer relationships, trade name and other intangible assets were recorded. Customer relationships will be amortized over ten years and patents will be amortized over seven years. The acquisition was completed to further extend the Company's offerings in remote monitoring and control technology for agriculture. A portion of the goodwill is

(2) ACQUISITIONS AND DECONSOLIDATION (Continued)

deductible for tax purposes. AgSense is included in the Irrigation segment and the purchase price allocation was finalized in the fourth quarter of 2014.

On February 5, 2013, the Company purchased 100% of the outstanding shares of Locker Group Holdings Pty. Ltd. ("Locker"). Locker is a manufacturer of perforated and expanded metal for the non-residential market, industrial flooring and handrails for the access systems market, and screening media for applications in the industrial and mining sectors in Australia and Asia. Locker's operations are reported in the Engineered Infrastructure Products segment. The acquisition, which was funded by cash held by the Company, was completed to expand our product offering and sales coverage for access systems and related products in Asia Pacific.

The purchase price paid for the business at closing (net of $116 cash acquired) was $53,152. In addition, a maximum of $7,911 additional purchase price could be paid to the sellers upon the achievement of certain gross profit and inventory targets over the two years following date of acquisition and the Company recognized an estimated liability of $7,178 at February 5, 2013. During 2014 and 2013, the Company made payments of approximately $2,300 to the sellers with respect to achievement of these targets. The Company determined that the additional purchase price tied to a gross profit target for the twelve months ending February 2015 would not be achieved and therefore the additional purchase price with respect to that target will not be paid. As such, approximately $4,300 of this liability was reversed and recognized against cost of goods sold during the third quarter of 2014.

In December 2013, the Company purchased 100% of the outstanding shares of Armorflex International Ltd. ("Armorflex") for $10,000. Armorflex is a company holding proprietary intellectual property for products serving the highway safety market. In the measurement of fair values of assets acquired and liabilities assumed, we recorded goodwill of $6,823 and an aggregate of $3,792 for customer relationships, patented technology and other intangible assets. The goodwill is not deductible for tax purposes. Armorflex is included in the Engineered Infrastructure Products segment and was acquired to expand the Company's highway safety product offering in the Asia Pacific region. This acquisition did not have a significant effect on the Company's fiscal 2013 financial results.

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

The Company's Consolidated Statement of Earnings for the fiscal year ended December 27, 2014 included net sales of $243,139 and net earnings of $17,872 resulting from the Valmont SM, AgSense,

(2) ACQUISITIONS AND DECONSOLIDATION (Continued)

Locker, Armorflex and Shakespeare acquisitions. The pro forma effect of these acquisitions on the 2014 and 2013 Statement of Earnings was as follows:

	Fifty-two weeks Ended December 27, 2014	Fifty-two weeks Ended December 28, 2013
Net sales	$3,201,947	$3,556,988
Net earnings	189,391	293,340
Earnings per share—diluted	$ 7.30	$ 10.91

Acquisitions of Noncontrolling Interests

In October 2013, the Company acquired the remaining 40% of Valley Irrigation South Africa Pty. Ltd. that it did not own for $9,324. As this transaction was an acquisition of the remaining shares of a consolidated subsidiary with no change in control, it was recorded within shareholders' equity and as a financing cash flow in the Consolidated Statement of Cash Flows.

Deconsolidation

In December 2013, the Company's ownership in Delta EMD, Ltd. ("EMD"), a consolidated subsidiary located in South Africa, was reduced below 50% through a supplementary contribution of 1,500,000 shares to the Delta Pension Plan ("DPP"). The DPP is managed by independent trustees whose fiduciary responsibility is to make decisions for the DPP based on the best interests of the participants. The loss recognized on the deconsolidation of EMD was $12,011, or $0.45 per share, which consisted of $8,559 realized losses on foreign currency translation adjustments previously reported in shareholders' equity and $3,452 in losses due to remeasurement of the remaining investment to fair value based on the market value of EMD shares, which are publicly traded on the Johannesburg stock exchange (JSE:DTA). The Company made a fair value election with respect to its remaining ownership interest in EMD and will report its investment at fair value going forward, using the quoted market price of the EMD shares as fair value.

The net sales of EMD included in the Company's Consolidated Statements of Earnings in 2013 and 2012 were $38,621 and $44,290, respectively. The net earnings of EMD attributable to the Company for the same years were a loss of $3,535 in 2013 and earnings of $1,043 in 2012.

(3) CASH FLOW SUPPLEMENTARY INFORMATION

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

	2014	2013	2012
Interest	$ 32,601	$ 32,655	$ 31,276
Income taxes	111,174	167,146	137,121

(4) INVENTORIES

Inventories consisted of the following at December 27, 2014 and December 28, 2013:

	2014	2013
Raw materials and purchased parts	$179,093	$179,576
Work-in-process	27,835	27,294
Finished goods and manufactured goods	199,772	218,334
Subtotal	406,700	425,204
Less: LIFO reserve	47,178	45,204
	$359,522	$380,000

(5) PROPERTY, PLANT AND EQUIPMENT

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

	2014	2013
Land and improvements	$ 82,372	$ 71,726
Buildings and improvements	327,863	265,112
Machinery and equipment	593,387	520,262
Transportation equipment	35,205	37,213
Office furniture and equipment	76,589	73,200
Construction in progress	24,153	49,613
	$1,139,569	$1,017,126

The Company leases certain facilities, machinery, computer equipment and transportation equipment under operating leases with unexpired terms ranging from one to fifteen years. Rental expense for operating leases amounted to $28,580, $26,567, and $24,645 for fiscal 2014, 2013, and 2012, respectively.

Minimum lease payments under operating leases expiring subsequent to December 27, 2014 are:

Fiscal year ending	
2015	$ 24,525
2016	19,694
2017	16,166
2018	12,171
2019	9,096
Subsequent	35,042
Total minimum lease payments	$116,694

(6) GOODWILL AND INTANGIBLE ASSETS

The Company's annual impairment testing of goodwill and trade names was performed during the third quarter of 2014. As a result of that testing, the Company determined that its goodwill was not impaired, as the valuation of the reporting units exceeded their respective carrying values. The Company continues to monitor changes in the global economy that could impact future operating results of its reporting units. If such conditions arise, the Company will test a given reporting unit for impairment prior to the annual test.

Amortized Intangible Assets

The components of amortized intangible assets at December 27, 2014 and December 28, 2013 were as follows:

	As of December 27, 2014		
	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life
Customer Relationships	$207,509	$ 88,538	13 years
Proprietary Software & Database	3,769	2,977	8 years
Patents & Proprietary Technology	12,394	8,537	8 years
Non-compete Agreements	4,355	2,998	3 years
	$228,027	$103,050	

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

Amortization expense for intangible assets was $18,414, $15,233, and $14,332 for the fiscal years ended December 27, 2014, December 28, 2013 and December 29, 2012, respectively.

(6) GOODWILL AND INTANGIBLE ASSETS (Continued)

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

	Estimated Amortization Expense
2015	$18,176
2016	16,406
2017	16,364
2018	14,703
2019	13,871

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

Non-amortized intangible assets

Intangible assets with indefinite lives are not amortized. The carrying values of trade names at December 27, 2014 and December 28, 2013 were as follows:

	December 27, 2014	December 28, 2013	Year Acquired
Webforge	$16,801	$17,787	2010
Valmont SM	10,818	—	2014
Newmark	11,111	11,111	2004
Ingal EPS/Ingal Civil Products	8,867	9,387	2010
Donhad	6,689	7,082	2010
Shakespeare	4,000	—	2014
Industrial Galvanizers	3,889	4,117	2010
Other	14,852	14,685	
	$77,027	$64,169	

The Company's trade names were tested for impairment separately from goodwill in the third quarter of 2014. The values of the trade names were determined using the relief-from-royalty method. The Company determined that the value of its trade names were not impaired.

In 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.

(6) GOODWILL AND INTANGIBLE ASSETS (Continued)

Goodwill

The carrying amount of goodwill by segment as of December 27, 2014 was as follows:

	Engineered Infrastructure Products Segment	Utility Support Structures Segment	Coatings Segment	Irrigation Segment	Other	Total
Balance at December 28, 2013	$175,442	$75,404	$77,062	$ 2,420	$19,304	$349,632
Acquisition	32,219	—	—	17,193	—	49,562
Foreign currency translation	(10,587)	—	(2,200)	(77)	(1,069)	(14,083)
Balance at December 27, 2014	$197,074	$75,404	$74,862	$19,536	$18,235	$385,111

The Company examined the goodwill assigned to its reporting units in the third quarter of 2014 and determined that the goodwill on its consolidated balance sheet at December 27, 2014 was not impaired. The acquisition amount arose from the acquisitions of Valmont SM, Shakespeare, and AgSense.

The carrying amount of goodwill by segment as of December 28, 2013 was as follows:

	Engineered Infrastructure Products Segment	Utility Support Structures Segment	Coatings Segment	Irrigation Segment	Other	Total
Balance at December 29, 2012	$155,185	$77,141	$77,053	$2,517	$18,895	$330,791
Acquisition	21,189	—	—	—	—	21,189
Foreign currency translation	(2,669)	—	9	(97)	409	(2,348)
Other	1,737	(1,737)	—	—	—	—
Balance at December 28, 2013	$175,442	$75,404	$77,062	$2,420	$19,304	$349,632

The acquisition amount arose from the acquisitions of Locker and Armorflex. The other category relates to a minor component that was transferred from the Utility Support Structures segment to the Engineered Infrastructure Products segment.

(7) BANK CREDIT ARRANGEMENTS

The Company maintains various lines of credit for short-term borrowings totaling $108,554 at December 27, 2014. As of December 27, 2014, $13,058 was outstanding. The interest rates charged on these lines of credit vary in relation to the banks' costs of funds. The unused and available borrowings under the lines of credit were $95,496 at December 27, 2014. The lines of credit can be modified at any time at the option of the banks. The Company pays no fees in connection with these lines of credit. In addition to the lines of credit, the Company also maintains other short-term bank loans. The weighted average interest rate on short-term borrowings was 6.56% at December 27, 2014, and 8.65% at December 28, 2013. Other notes payable of $894 and $880 were outstanding at December 27, 2014 and December 28, 2013, respectively.

(8) INCOME TAXES

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

	2014	2013	2012
United States	$168,975	$338,163	$248,840
Foreign	115,208	111,254	110,450
	$284,183	$449,417	$359,290

Income tax expense (benefit) consists of:

	2014	2013	2012
Current:			
Federal	$52,588	$110,847	$ 81,000
State	5,059	16,398	10,342
Foreign	32,443	39,285	32,294
	90,090	166,530	123,636
Non-current:	(447)	1,392	(854)
Deferred:			
Federal	447	(8,661)	(3,824)
State	1,376	(307)	(660)
Foreign	3,428	(1,173)	8,204
	5,251	(10,141)	3,720
	$94,894	$157,781	$126,502

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

	2014	2013	2012
Statutory federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	1.8	2.4	1.7
Carryforwards, credits and changes in valuation allowances	(0.4)	0.9	1.8
Foreign tax rate differences	(4.4)	(2.4)	(2.5)
Changes in unrecognized tax benefits	(0.2)	0.3	(0.2)
Domestic production activities deduction	(1.6)	(2.1)	(2.3)
Other	3.2	1.0	1.7
	33.4%	35.1%	35.2%

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

(8) INCOME TAXES (Continued)

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

	2014	2013
Deferred income tax assets:		
Accrued expenses and allowances	$ 17,446	$ 17,038
Accrued insurance	882	1,508
Tax credits and loss carryforwards	148,484	146,473
Defined benefit pension liability	30,025	30,879
Inventory allowances	4,804	3,938
Accrued warranty	6,920	6,552
Deferred compensation	40,348	51,413
Gross deferred income tax assets	248,909	257,801
Valuation allowance	(104,487)	(107,767)
Net deferred income tax assets	144,422	150,034
Deferred income tax liabilities:		
Work in progress	5,352	—
Property, plant and equipment	43,084	36,657
Intangible assets	60,316	57,787
Other liabilities	6,738	7,206
Total deferred income tax liabilities	115,490	101,650
Net deferred income tax asset/(liability)	$ 28,932	$ 48,384

Deferred income tax assets (liabilities) are presented as follows on the Consolidated Balance Sheets:

Balance Sheet Caption	2014	2013
Refundable and deferred income taxes	$ 30,239	$ 57,344
Other assets	70,490	69,964
Deferred income taxes	(71,797)	(78,924)
Net deferred income tax asset/(liability)	$ 28,932	$ 48,384

Management of the Company has reviewed recent operating results and projected future operating results. The Company's belief that realization of its net deferred tax assets is more likely than not is based on, among other factors, changes in operations that have occurred in recent years and available tax planning strategies. At December 27, 2014 and December 28, 2013 respectively, there were $148,484 and $146,473 relating to tax credits and loss carryforwards and $30,025 and $30,879 related to the defined benefit pension obligation.

Valuation allowances have been established for certain losses that reduce deferred tax assets to an amount that will, more likely than not, be realized. The deferred tax assets at December 27, 2014 that

(8) INCOME TAXES (Continued)

are associated with tax loss and tax credit carryforwards not reduced by valuation allowances expire in periods starting 2015.

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

The following summarizes the activity related to our unrecognized tax benefits in 2014 and 2013, in thousands:

	2014	2013
Gross unrecognized tax benefits—beginning of year	$4,727	$ 3,370
Gross increases—tax positions in prior period	—	1,464
Gross decreases—tax positions in prior period	(456)	—
Gross increases—current-period tax positions	610	1,336
Lapse of statute of limitations	(613)	(1,443)
Gross unrecognized tax benefits—end of year	$4,268	$ 4,727

There are approximately $1,284 of uncertain tax positions for which reversal is reasonably possible during the next 12 months due to the closing of the statute of limitations. The nature of these uncertain tax positions is generally the computation of a tax deduction or tax credit. During 2014, the Company recorded a reduction of its gross unrecognized tax benefit of $613 with $399 recorded as a reduction of income tax expense, due to the expiration of statutes of limitation in the United States. During 2013, the company recorded a reduction of its gross unrecognized tax benefit of $1,443, with $938 recorded as a reduction of its income tax expense, due to the expiration of statutes of limitation in the United States and Australia. In addition to these amounts, there was an aggregate of $298 and $314 of interest and penalties at December 27, 2014 and December 28, 2013, respectively. The Company's policy is to record interest and penalties directly related to income taxes as income tax expense in the Consolidated Statements of Earnings.

The Company files income tax returns in the U.S. and various states as well as foreign jurisdictions. Tax years 2011 and forward remain open under U.S. statutes of limitation. Generally, tax years 2010 and forward remain open under state statutes of limitation. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was $4,056 and $4,491 at December 27, 2014 and December 28, 2013, respectively.

On January 2, 2013, the American Taxpayer Relief Act of 2012 was enacted, which retroactively extended the research and experimentation (R&E) tax credit in the U.S. for two years, from January 1, 2012 through December 31, 2013. Because a change in tax law is accounted for in the period of enactment, the retroactive effect of the Act on the Company's U.S. federal taxes for 2012 of a benefit of approximately $750 was recognized in the first quarter of 2013.

(8) INCOME TAXES (Continued)

On September 13, 2013, the US Treasury and IRS issued final Tangible Property Regulations ("TPR") under IRC Section 162 and IRC Section 263(a). The regulations are effective for tax years beginning on or after January 1, 2014; however, certain portions may require a tax method change on a retroactive basis, thus requiring a IRC Section 481(a) adjustment related to fixed and real asset deferred taxes. The accounting rules under ASC 740 treat the release of the regulations as a change in tax law as of the date of issuance and required the Company to determine whether there was an impact on its financial statements for the period ended December 28, 2013. Any such impact of the final tangible property regulations would affect temporary deferred taxes only and result in a balance sheet reclassification between current and deferred taxes. The Company has analyzed the impact of the TPR on the Company and concluded that the expected impact is minimal. The Company will continue to monitor the impact of any future changes to the TPR on the Company prospectively.

During 2014, the Company recorded an income tax benefit of $3.9 million as a result of restructuring in 2014 and a change in management's assertions regarding foreign investment opportunities. All foreign subsidiaries are considered permanently invested at December 27, 2014. Provision has not been made for United States income taxes on the undistributed earnings of the Company's foreign subsidiaries (approximately $668,400 at December 27, 2014 and $644,290 at December 28, 2013, respectively) because the Company intends to reinvest those earnings. Such earnings would become taxable upon the sale or liquidation of these foreign subsidiaries or upon remittance of dividends. Furthermore, the currency translation adjustments in "Accumulated other comprehensive income (loss)" are not adjusted for income taxes as they relate to indefinite investments in foreign subsidiaries.

(9) LONG-TERM DEBT

On September 22, 2014, the Company issued and sold $250,000 aggregate principal amount of the Company's 5.00% senior notes due 2044 and $250,000 aggregate principal amount of the Company's 5.25% senior notes due 2054. On September 22, 2014, the Company repurchased through a partial

(9) LONG-TERM DEBT (Continued)

tender offer $199,800 in aggregate principal amount of the Company's 6.625% senior notes due 2020, and $250,200 of the notes remain outstanding following the conclusion of the tender offer.

	December 27, 2014	December 28, 2013
5.00% senior unsecured notes due 2044(a)	$250,000	$ —
5.25% senior unsecured notes due 2054(b)	250,000	—
Unamortized discount on 5.00% and 5.25% senior unsecured notes(a and b)	(4,449)	—
6.625% senior unsecured notes due 2020(c)	250,200	450,000
Unamortized premium on 6.625% senior unsecured notes(c)	5,429	11,241
Revolving credit agreement(d)	—	—
IDR Bonds(e)	8,500	8,500
Other notes	8,155	1,368
Long-term debt	767,835	471,109
Less current installments of long-term debt	1,181	202
Long-term debt, excluding current installments	$766,654	$470,907

(a) The 5.00% senior unsecured notes due 2044 include an aggregate principle amount of $250,000 on which interest is paid and an unamortized discount balance of $1,155 at December 27, 2014. The notes bear interest at 5.000% per annum and are due on October 1, 2044. The discount will be amortized and recognized as interest expense as interest payments are made over the term of the notes. The notes may be repurchased prior to maturity in whole, or in part, at any time at 100% of their principal amount plus a make-whole premium and accrued and unpaid interest. These notes are guaranteed by certain subsidiaries of the Company.

(b) The 5.25% senior unsecured notes due 2054 include an aggregate principle amount of $250,000 on which interest is paid and an unamortized discount balance of $3,294 at December 27, 2014. The notes bear interest at 5.250% per annum and are due on October 1, 2054. The discount will be amortized and recognized as interest expense as interest payments are made over the term of the notes. The notes may be repurchased prior to maturity in whole, or in part, at any time at 100% of their principal amount plus a make-whole premium and accrued and unpaid interest. These notes are guaranteed by certain subsidiaries of the Company.

(c) The 6.625% senior unsecured notes due 2020, following a partial tender offer in September 2014, include a remaining aggregate principal amount of $250,200 on which interest is paid and an unamortized premium balance of $5,429 at December 27, 2014. The notes bear interest at 6.625% per annum and are due on April 1, 2020. In September 2014, the Company repurchased by partial tender $199,800 in aggregate principal amount

(9) LONG-TERM DEBT (Continued)

of these notes and incurred cash prepayment expenses of approximately $41,200. In addition, $4,439 of the unamortized premium was recognized as income which is the proportionate amount of debt that was repaid. The remaining premium will be amortized against interest expense as interest payments are made over the term of the notes. The notes may be repurchased prior to maturity in whole, or in part, at any time at 100% of their principal amount plus a make-whole premium accrued and unpaid interest. These notes are guaranteed by certain subsidiaries of the Company.

(d) On October 17, 2014, the Company entered into a First Amendment to our Credit Agreement with JPMorgan Chase Bank, as Administrative Agent, and the other lenders party thereto, dated as of August 15, 2012, which increased the committed unsecured revolving credit facility from $400 million to $600 million and extended the maturity date from August 15, 2017 to October 17, 2019. The Company may increase the credit facility by up to an additional $200 million at any time, subject to lenders increasing the amount of their commitments. The interest rate on our borrowings will be, at our option, either:

(i) LIBOR (based on a 1, 2, 3 or 6 month interest period, as selected by the Company) plus 100 to 162.5 basis points, depending on the credit rating of the our senior debt published by Standard & Poor's Rating Services and Moody's Investors Service, Inc., or;

(ii) the higher of

- the prime lending rate,
- the Federal Funds rate plus 50 basis points, and
- LIBOR (based on a 1 month interest period) plus 100 basis points,

plus, in each case, 0 to 62.5 basis points, depending on the credit rating of our senior debt published by Standard & Poor's Rating Services and Mood's Investors Service, Inc.

At December 27, 2014, the Company had no outstanding borrowings under the revolving credit facility. The revolving credit facility has a maturity date of August 15, 2017 and contains certain financial covenants that may limit additional borrowing capability under the agreement. At December 27, 2014, the Company had the ability to borrow $582.4 million under this facility, after consideration of standby letters of credit of $17.6 million associated with certain insurance obligations. We also maintain certain short-term bank lines of credit totaling $108.6 million, $95.5 million of which was unused at December 27, 2014.

(e) The Industrial Development Revenue Bonds were issued to finance the construction of a manufacturing facility in Jasper, Tennessee. Variable interest is payable until final maturity on June 1, 2025. The effective interest rates at December 27, 2014 and December 28, 2013 were 1.16% and 0.21%, respectively.

(9) LONG-TERM DEBT (Continued)

The lending agreements include certain maintenance covenants, including financial leverage and interest coverage. The Company was in compliance with all financial debt covenants at December 27, 2014. The minimum aggregate maturities of long-term debt for each of the five years following 2014 are: $1,181, $1,357, $1,068, $1,066 and $900.

The obligations arising under the 5.00% senior unsecured notes due 2044, the 5.25% senior unsecured notes due 2054, the 6.625% senior unsecured notes due 2020, and the revolving credit facility are guaranteed by the Company and its wholly-owned subsidiaries PiRod, Inc., Valmont Coatings, Inc., Valmont Newmark, Inc., and Valmont Queensland Pty. Ltd.

(10) STOCK-BASED COMPENSATION

The Company maintains stock-based compensation plans approved by the shareholders, which provide that the Compensation Committee of the Board of Directors may grant incentive stock options, nonqualified stock options, stock appreciation rights, non-vested stock awards and bonuses of common stock. At December 27, 2014, 1,234,445 shares of common stock remained available for issuance under the plans. Shares and options issued and available are subject to changes in capitalization. The Company's policy is to issue shares upon exercise of stock options from treasury shares held by the Company.

Under the stock option plans, the exercise price of each option equals the market price at the time of the grant. Options vest beginning on the first anniversary of the grant in equal amounts over three to six years or on the fifth anniversary of the grant. Expiration of grants is from six to ten years from the date of grant. The Company recorded $4,461, $5,194 and $4,934 of compensation expense (included in selling, general and administrative expenses) in the 2014, 2013 and 2012 fiscal years, respectively. The associated tax benefits recorded in the 2014, 2013 and 2012 fiscal years was $1,695, $1,974 and $1,875, respectively.

At December 27, 2014, the amount of unrecognized stock option compensation expense, to be recognized over a weighted average period of 2.34 years, was approximately $10,961.

The Company uses a binomial option pricing model to value its stock options. The fair value of each option grant made in 2014, 2013 and 2012 was estimated using the following assumptions:

	2014	2013	2012
Expected volatility	32.27%	33.26%	33.76%
Risk-free interest rate	1.43%	1.16%	0.74%
Expected life from vesting date	3.0 yrs	3.0 yrs	3.0 yrs
Dividend yield	0.75%	0.72%	0.77%

(10) STOCK-BASED COMPENSATION (Continued)

Following is a summary of the activity of the stock plans during 2012, 2013 and 2014:

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

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

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 29, 2012	868,992	$ 84.91		
Granted	155,254	144.86		
Exercised	(216,105)	(72.17)		
Forfeited	(12,920)	(129.08)		
Outstanding at December 28, 2013	795,221	$ 99.29	4.56	$39,994
Options vested or expected to vest at December 28, 2013	775,237	$ 98.41	4.51	39,678
Options exercisable at December 28, 2013	464,377	$ 81.73	3.58	31,508

(10) STOCK-BASED COMPENSATION (Continued)

The weighted average per share fair value of options granted during 2013 was $37.88.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 28, 2013	795,221	$ 99.29		
Granted	177,717	132.94		
Exercised	(194,627)	(71.67)		
Forfeited	(9,716)	(126.23)		
Outstanding at December 27, 2014	768,595	$ 113.72	4.74	$15,983
Options vested or expected to vest at December 27, 2014	746,974	$ 113.06	4.69	15,981
Options exercisable at December 27, 2014	450,539	$ 97.29	3.59	15,944

The weighted average per share fair value of options granted during 2014 was $33.94.

Following is a summary of the status of stock options outstanding at December 27, 2014:

Outstanding and Exercisable By Price Range

Options Outstanding				Options Exercisable	
Exercise Price Range	Number	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
$24.37 - 40.21	11,400	0.43 years	$ 26.32	11,400	$ 26.32
$57.46 - 105.44	297,279	2.95 years	80.75	297,094	80.75
$110.26 - 151.45	459,916	6.00 years	137.19	142,045	137.59
	768,595			450,539	

In accordance with shareholder-approved plans, the Company grants stock under various stock-based compensation arrangements, including non-vested stock and stock issued in lieu of cash bonuses. Under such arrangements, stock is issued without direct cost to the employee. In addition, the Company grants restricted stock units. The restricted stock units are settled in Company stock when the restriction period ends. During fiscal 2014, 2013 and 2012, the Company granted non-vested stock and restricted stock units to directors and certain management employees as follows (which are not included in the above stock plan activity tables):

	2014	2013	2012
Shares issued	35,885	47,271	27,293
Weighted-average per share price on grant date	$136.91	$146.72	$132.21
Compensation expense	$ 3,978	$ 3,667	$ 2,835

(10) STOCK-BASED COMPENSATION (Continued)

At December 27, 2014 the amount of deferred stock-based compensation granted, to be recognized over a weighted-average period of 1.76 years, was approximately $8,337.

(11) EARNINGS PER SHARE

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

	Basic EPS	Dilutive Effect of Stock Options	Diluted EPS
2014:			
Net earnings attributable to Valmont Industries, Inc.	$183,976	$ —	$183,976
Weighted average shares outstanding (000's)	25,719	213	25,932
Per share amount	$ 7.15	$0.06	$ 7.09
2013:			
Net earnings attributable to Valmont Industries, Inc.	$278,489	$ —	$278,489
Weighted average shares outstanding (000's)	26,641	258	26,899
Per share amount	$ 10.45	$0.10	$ 10.35
2012:			
Net earnings attributable to Valmont Industries, Inc.	$234,072	$ —	$234,072
Weighted average shares outstanding (000's)	26,471	293	26,764
Per share amount	$ 8.84	$0.09	$ 8.75

Basic and diluted net earnings and earnings per share for 2014 included costs associated with refinancing of our long-term debt of $24.2 million after tax ($0.93 per share). Basic and diluted net earnings and earnings per share for 2013 included a non-cash after-tax loss of $12,011 ($0.45 per share) associated with the deconsolidation of Delta EMD Pty. Ltd. (EMD) and a non-cash after-tax loss of $4,569 ($0.17 per share) related to a fixed asset impairment loss recorded by EMD in the fourth quarter of 2013.

At the end of fiscal years 2014, 2013 and 2012, there were approximately 449,000, 1,200, and 137,000 options outstanding, respectively, with exercise prices exceeding the market value of common stock that were therefore excluded from the computation of diluted shares outstanding.

(12) EMPLOYEE RETIREMENT SAVINGS PLAN

Established under Internal Revenue Code Section 401(k), the Valmont Employee Retirement Savings Plan ("VERSP") is a defined contribution plan available to all eligible employees. Participants can elect to contribute up to 50% of annual pay, on a pretax and/or after-tax basis. The Company also makes contributions to the Plan and a non-qualified deferred compensation plan for certain Company executives. The 2014, 2013 and 2012 Company contributions to these plans amounted to approximately $12,600, $11,600 and $10,000 respectively.

The Company sponsors a fully-funded, non-qualified deferred compensation plan for certain Company executives who otherwise would be limited in receiving company contributions into VERSP

(12) EMPLOYEE RETIREMENT SAVINGS PLAN (Continued)

under Internal Revenue Service regulations. The invested assets and related liabilities of these participants were approximately $36,439 and $27,133 at December 27, 2014 and December 28, 2013, respectively. Such amounts are included in "Other assets" and "Other noncurrent liabilities" on the Consolidated Balance Sheets. Amounts distributed from the Company's non-qualified deferred compensation plan to participants under the transition rules of section 409A of the Internal Revenue Code were approximately $1,519 and $1,626 at December 27, 2014 and December 28, 2013, respectively. All distributions were made in cash.

(13) DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of cash and cash equivalents, receivables, accounts payable, notes payable to banks and accrued expenses approximate fair value because of the short maturity of these instruments. The fair values of each of the Company's long-term debt instruments are based on the amount of future cash flows associated with each instrument discounted using the Company's current borrowing rate for similar debt instruments of comparable maturity (Level 2). The fair value estimates are made at a specific point in time and the underlying assumptions are subject to change based on market conditions. At December 27, 2014 the carrying amount of the Company's long-term debt was $767,835 with an estimated fair value of approximately $813,333. At December 28, 2013 the carrying amount of the Company's long-term debt was $471,109 with an estimated fair value of approximately $517,807.

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

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

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

Trading Securities: The assets and liabilities recorded for the investments held in the Valmont Deferred Compensation Plan of $36,439 ($27,133 in 2013) represent mutual funds, invested in debt and equity securities, classified as trading securities, considering the employee's ability to change investment allocation of their deferred compensation at any time. The Company's remaining ownership in Delta EMD Pty. Ltd. (JSE:DTA) of $9,034 ($13,901 in 2013) is recorded at fair value at December 27, 2014.

(13) DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Quoted market prices are available for these securities in an active market and therefore categorized as a Level 1 input.

		Fair Value Measurement Using:		
	Carrying Value December 27, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Trading Securities	$45,473	$45,473	$—	$—

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

(14) DERIVATIVE FINANCIAL INSTRUMENTS

The Company manages risk from foreign currency rate risk related to foreign currency denominated transactions and from natural gas supply pricing. From time to time, the Company manages these risks using derivative financial instruments. Most of these derivative financial instruments are marked to market and recorded in the Company's consolidated statements of earnings. Some derivative financial instruments may be accounted for as a fair value or cash flow hedge. Derivative financial instruments have credit risk and market risk. To manage credit risk, the Company only enters into derivative transactions with counterparties who are recognized, stable multinational banks.

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

Annual consolidated purchase requirements for North America are approximately 1,079,000 MMBtu. At December 27, 2014 there were open swaps totaling 80,000 MMBtu with a total unrealized loss of $53, which was recorded in the Company's consolidated statement of earnings for the fiscal year ended December 27, 2014. At December 28, 2013 there were open swaps totaling

(14) DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

120,000 MMBtu with a total unrealized gain of $73, which was recorded in the Company's consolidated statement of earnings for the fiscal year ended December 28, 2013.

Interest Rate Fluctuations: On September 22, 2014, the Company issued and sold $250,000 aggregate principal amount of the Company's 5.00% Senior Notes due 2044 (the "2044 Notes") and $250,000 aggregate principal amount of the Company's 5.25% Senior Notes due 2054 (the "2054 Notes"). During the third quarter of 2014, the Company executed a contract to lock in the treasury rate related to the issuance of the 2044 Notes and a second contract to lock in the base interest rate on the issuance of the 2054 Notes. These contracts, each for a notional amount of $125,000, were executed to hedge the risk of potential fluctuations in the treasury rates which would change the amount of net proceeds received from the debt offering. As the benchmark rate component of the fixed rate debt issuance and the cash flow hedged risk is based on that same benchmark, this was deemed an effective hedge at inception. On September 10, 2014, these contracts were settled with the Company receiving approximately $4,837 from the counterparties which was recorded in accumulated other comprehensive income and will be amortized as a reduction of interest expense over the term of the debt.

In June 2011, the Company executed a contract for a notional amount of $130,000 to hedge the risk of potential fluctuations in the treasury rates which would change the amount of net proceeds received from the offering of $150 million of the Company's 6.625% Senior notes due 2020 (the "2020 Notes") . In conjunction with the repurchase through a partial tender offer of $199,800 of the 2020 Notes during September 2014, the Company recognized $983 of expense, which is a proportionate amount of the unrealized loss on cash flow hedge with respect to the 2020 Notes recorded within other comprehensive income at the time of partial tender. This $983 is included in the costs associated with refinancing of debt in the consolidated statement of earnings for 2014.

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

At December 27, 2014, the Company had a number of open foreign currency forward contracts, including some related to a large sales contract that will be settled in Canadian dollars. The purpose of the contracts are to reduce the effect of exchange rate fluctuations on the profitability of the related contract and are generally accounted for as a cash flow hedge if hedge accounting is utilized. The large Canadian contract is accounted for as a cash flow hedge and has a notional amount to sell Canadian dollars of $14,757, which will be settled by September 2015. Total unrealized gains on the forward contracts related to the Canadian contract at the end of fiscal 2014 was $424, and $242 is recorded in accumulated other comprehensive income in the consolidated balance sheets. At December 28, 2013, the Company had open foreign currency forward contracts related to a large sales contract that was settled in Canadian dollars and was accounted for as a fair value hedge. The notional amount of the open forward contracts at the end of 2013 was $28,032, with unrealized gains of $475 that were recorded in other expense in the consolidated statements of earnings. The forward contracts were settled by March 2014.

(15) GUARANTEES

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

Changes in the product warranty accrual, which is recorded in "Accrued expenses", for the years ended December 27, 2014 and December 28, 2013, were as follows:

	2014	2013
Balance, beginning of period	$ 20,711	$15,333
Payments made	(13,900)	(9,033)
Change in liability for warranties issued during the period	13,130	15,193
Change in liability for pre-existing warranties	(181)	(782)
Balance, end of period	$ 19,760	$20,711

(16) DEFINED BENEFIT RETIREMENT PLAN

Delta Ltd., a wholly-owned subsidiary of the Company, is the sponsor of the Delta Pension Plan ("Plan"). The Plan provides defined benefit retirement income to eligible employees in the United Kingdom. Pension retirement benefits to qualified employees are 1.67% of final salary per year of service upon reaching the age of 65 years. This Plan has no active employees as members at December 27, 2014.

Funded Status

The Company recognizes the overfunded or underfunded status of the pension plan as an asset or liability. The funded status represents the difference between the projected benefit obligation (PBO) and the fair value of the plan assets. The PBO is the present value of benefits earned to date by plan participants, including the effect of assumed future salary increases (if applicable) and inflation. Plan assets are measured at fair value. Because the pension plan is denominated in British pounds sterling, the Company used exchange rates of $1.6469/£ and $1.5557/£ to translate the net pension liability into U.S. dollars at December 28, 2013 and December 27, 2014, respectively.

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

(16) DEFINED BENEFIT RETIREMENT PLAN (Continued)

fair value of plan assets for the pension plan for the period from December 29, 2012 to December 28, 2013 were as follows:

	Projected Benefit Obligation	Plan Assets	Funded status
Fair Value at December 29, 2012	$597,767	$485,724	$(112,043)
Employer contributions	—	17,619	
Interest cost	26,431	—	
Actual return on plan assets	—	7,676	
Settlements	(12,981)	(12,981)	
Benefits paid	(11,573)	(11,573)	
Actuarial loss	37,235	—	
Currency translation	14,978	10,995	
Fair Value at December 28, 2013	$651,857	$497,460	$(154,397)

Changes in the PBO and fair value of plan assets for the pension plan for the period from December 28, 2013 to December 27, 2014 were as follows:

	Projected Benefit Obligation	Plan Assets	Funded status
Fair Value at December 28, 2013	$651,857	$497,460	$(154,397)
Employer contributions	—	18,173	
Interest cost	28,667	—	
Actual return on plan assets	—	72,820	
Benefits paid	(14,498)	(14,498)	
Actuarial loss	66,889	—	
Currency translation	(40,632)	(31,796)	
Fair Value at December 27, 2014	$692,283	$542,159	$(150,124)

Pre-tax amounts recognized in accumulated other comprehensive income (loss) as of December 27, 2014 and December 28, 2013 consisted of actuarial gains (losses):

Balance December 29, 2012	$ 12,617
Actuarial loss	(49,421)
Currency translation loss	(2,004)
Balance December 28, 2013	(38,808)
Actuarial loss	(18,980)
Currency translation gain	1,835
Balance December 27, 2014	$(55,953)

(16) DEFINED BENEFIT RETIREMENT PLAN (Continued)

The estimated amount to be amortized from accumulated other comprehensive income into net periodic benefit cost in 2015 is $0.

Assumptions—The weighted-average actuarial assumptions used to determine the benefit obligation at December 27, 2014 and December 28, 2013 were as follows:

Percentages	2014	2013
Discount rate	3.65%	4.45%
Salary increase	N/A	N/A
CPI inflation	2.10%	2.70%
RPI inflation	3.20%	3.60%

Expense

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

The components of the net periodic pension expense for the fiscal years ended December 27, 2014 and December 28, 2013 were as follows:

	2014	2013
Net Periodic Benefit Cost:		
Interest cost	28,667	26,431
Expected return on plan assets	(26,029)	(19,862)
Net periodic benefit expense	$ 2,638	$ 6,569

Assumptions—The weighted-average actuarial assumptions used to determine expense are as follows for fiscal 2014 and 2013:

Percentages	2014	2013
Discount rate	4.45%	4.60%
Expected return on plan assets	5.50%	4.20%
RPI Inflation	3.60%	3.20%
CPI Inflation	2.70%	2.70%

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

(16) DEFINED BENEFIT RETIREMENT PLAN (Continued)

Cash Contributions

The Company completed negotiations with Plan trustees in 2013 regarding annual funding for the Plan. The annual contributions into the Plan are $15,557 (/£10,000) per annum as part of the Plan's recovery plan, along with a contribution to cover the administrative costs of the Plan of approximately $1,711 (/£1,100) per annum.

Benefit Payments

The following table details expected pension benefit payments for the years 2015 through 2024:

2015	$14,000
2016	14,500
2017	14,935
2018	15,400
2019	15,870
Years 2020 - 2024	86,341

Asset Allocation Strategy

The investment strategy for pension plan assets is to maintain a diversified portfolio consisting of

- Long-term fixed-income securities that are investment grade or government-backed in nature;
- Common stock mutual funds in U.K. and non-U.K. companies, and;
- Diversified growth funds, which are invested in a number of investments, including common stock, fixed income funds, properties and commodities.

The plan, as required by U.K. law, has an independent trustee that sets investment policy. The general strategy is to invest approximately 50% of the assets of the plan in common stock mutual funds and diversified growth funds, with the remainder of the investments in long-term fixed income securities, including corporate bonds and index-linked U.K. gilts. The trustees regularly consult with representatives of the plan sponsor and independent advisors on such matters.

The pension plan investments are held in a trust. The weighted-average maturity of the corporate bond portfolio was 13 years at December 27, 2014.

Fair Value Measurements

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

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

(16) DEFINED BENEFIT RETIREMENT PLAN (Continued)

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

Corporate Stock—This investment category consists of common and preferred stock, including mutual funds, issued by U.K. and non-U.K. corporations.

Diversified growth funds—This investment category consists of diversified investment funds, whose holdings include common stock, fixed income funds, properties and commodities of U.K. and non-U.K. securities.

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

At December 27, 2014 and December 28, 2013, the pension plan assets measured at fair value on a recurring basis were as follows:

December 27, 2014	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Plan net assets:				
Temporary cash investments	$—	$ 12,320	$—	$ 12,320
Index-linked gilts	—	135,229	—	135,229
Corporate bonds	—	107,880	—	107,880
Corporate stock	—	176,010	—	176,010
Diversified growth funds	—	110,720	—	110,720
Total plan net assets at fair value	$—	$542,159	$—	$542,159

December 28, 2013	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Plan net assets:				
Temporary cash investments	$—	$ 10,791	$—	$ 10,791
Index-linked gilts	—	112,208	—	112,208
Corporate bonds	—	166,604	—	166,604
Corporate stock	—	141,029	—	141,029
Diversified growth funds	—	66,828	—	66,828
Total plan net assets at fair value	$—	$497,460	$—	$497,460

(17) BUSINESS SEGMENTS

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

Reportable segments are as follows:

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

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

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

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

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

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

In 2013, the Company changed its presentation of certain intersegment utility structure sales to align with management's current reporting structure. Fiscal 2012 reporting was reclassified to conform with the 2013 presentation. Accordingly, fiscal 2012 EIP segment sales (and the associated intersegment sales elimination) for 2012 increased by $49,427. Fiscal 2012 segment sales (after intersegment sales eliminations) and operating income were unchanged from amounts previously reported.

(17) BUSINESS SEGMENTS (Continued)

Summary by Business Segments

	2014	2013	2012
SALES:			
Engineered Infrastructure Products segment:			
Lighting, Traffic, and Roadway Products	$ 648,352	$ 660,423	$ 637,082
Communication Products	161,618	139,888	134,711
Offshore and Other Complex Steel Structures	146,432	—	—
Access Systems	181,495	201,498	159,740
Engineered Infrastructure Products segment	1,137,897	1,001,809	931,533
Utility Support Structures segment:			
Steel	714,427	853,459	752,621
Concrete	110,589	108,579	120,899
Utility Support Structures segment	825,016	962,038	873,520
Coatings segment	333,853	357,635	334,552
Irrigation segment	759,178	882,179	750,641
Other	231,668	303,595	328,737
Total	3,287,612	3,507,256	3,218,983
INTERSEGMENT SALES:			
Engineered Infrastructure Products segment	75,259	104,306	98,220
Utility Support Structures segment	2,451	2,343	3,857
Coatings segment	55,418	56,649	52,478
Irrigation segment	19	5	49
Other	31,322	39,742	34,838
Total	164,469	203,045	189,442
NET SALES:			
Engineered Infrastructure Products segment	1,062,638	897,503	833,313
Utility Support Structures segment	822,565	959,695	869,663
Coatings segment	278,435	300,986	282,074
Irrigation segment	759,159	882,174	750,592
Other	200,346	263,853	293,899
Total	$3,123,143	$3,304,211	$3,029,541

(17) BUSINESS SEGMENTS (Continued)

	2014	2013	2012
OPERATING INCOME (LOSS):			
Engineered Infrastructure Products	$ 103,296	$ 87,647	$ 54,013
Utility Support Structures	95,118	174,740	129,025
Coatings	60,921	74,917	71,641
Irrigation	128,145	181,498	143,605
Other	25,898	30,984	46,575
Corporate	(55,662)	(76,717)	(62,563)
Total	357,716	473,069	382,296
Interest expense, net	(30,744)	(26,025)	(23,353)
Costs associated with refinancing of debt	(38,705)	—	—
Other	(4,084)	2,373	347
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	$ 284,183	$ 449,417	$ 359,290
TOTAL ASSETS:			
Engineered Infrastructure Products	$1,057,090	$ 873,757	$ 784,659
Utility Support Structures	470,720	524,113	510,943
Coatings	301,707	315,663	334,841
Irrigation	331,962	323,435	287,354
Other	117,300	126,337	202,289
Corporate	450,889	613,189	448,465
Total	$2,729,668	$2,776,494	$2,568,551
CAPITAL EXPENDITURES:			
Engineered Infrastructure Products	$ 14,328	$ 15,878	$ 20,244
Utility Support Structures	9,014	39,347	41,081
Coatings	14,029	12,206	13,280
Irrigation	15,488	21,416	12,618
Other	9,220	6,270	4,428
Corporate	10,944	11,636	5,423
Total	$ 73,023	$ 106,753	$ 97,074
DEPRECIATION AND AMORTIZATION:			
Engineered Infrastructure Products	$ 40,239	$ 31,057	$ 27,164
Utility Support Structures	17,811	14,375	13,284
Coatings	14,615	14,656	12,015
Irrigation	9,352	6,679	6,209
Other	5,512	7,663	8,168
Corporate	1,799	3,006	3,378
Total	$ 89,328	$ 77,436	$ 70,218

(17) BUSINESS SEGMENTS (Continued)

Summary by Geographical Area by Location of Valmont Facilities:

	2014	2013	2012
NET SALES:			
United States	$1,808,427	$2,077,812	$1,870,703
Australia	439,530	492,698	499,025
China	110,923	97,788	135,398
Denmark	146,432	—	—
Other	617,831	635,913	524,415
Total	$3,123,143	$3,304,211	$3,029,541
LONG-LIVED ASSETS:			
United States	$ 616,718	$ 530,042	$ 470,154
Australia	316,382	342,320	321,456
Denmark	111,161	—	—
Other	292,862	306,293	351,001
Total	$1,337,123	$1,178,655	$1,142,611

No single customer accounted for more than 10% of net sales in 2014, 2013, or 2012. Net sales by geographical area are based on the location of the facility producing the sales and do not include sales to other operating units of the company. While Australia accounted for approximately 14% of the Company's net sales in 2014, no other foreign country accounted for more than 5% of the Company's net sales.

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

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

(18) COMMITMENTS & CONTINGENCIES

Various claims and lawsuits are pending against Company and certain of its subsidiaries. The Company cannot fully determine the effect of all asserted and unasserted claims on its consolidated results of operations, financial condition, or liquidity. Where asserted and unasserted claims are considered probable and reasonably estimable, a liability has been recorded. We do not expect that any known lawsuits, claims, environmental costs, commitments, or contingent liabilities will have a material adverse effect on our consolidated results of operations, financial condition, or liquidity.

(19) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION

On September 22, 2014, the Company issued and sold $250,000 aggregate principal amount of the Company's 5.00% senior notes due 2044 and $250,000 aggregate principal amount of the Company's 5.25% senior notes due 2054. On September 22, 2014, the Company repurchased through a partial tender offer $199,800 in aggregate principal amount of the Company's 6.625% senior notes due 2020, and $250,200 of the notes remain outstanding following the conclusion of the tender offer. All of the notes are guaranteed, jointly, severally, fully and unconditionally by certain of the Company's current and future direct and indirect domestic and foreign subsidiaries (collectively the "Guarantors"), excluding its other current domestic and foreign subsidiaries which do not guarantee the debt (collectively referred to as the "Non-Guarantors"). All Guarantors are 100% owned by the parent company.

In the fourth quarter of 2014, a subsidiary of the Company was removed as a guarantor of our revolving credit facility, and consequently was removed as a guarantor of the notes. All prior year consolidated financial information has been recast to reflect the current guarantor structure.

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

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

CONSOLIDATED STATEMENTS OF EARNINGS
For the Year ended December 27, 2014

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	$1,392,509	$496,326	$1,456,053	$(221,745)	$3,123,143
Cost of sales	1,040,808	371,639	1,124,813	(222,234)	2,315,026
Gross profit	351,701	124,687	331,240	489	808,117
Selling, general and administrative expenses	196,987	49,171	204,243	—	450,401
Operating income	154,714	75,516	126,997	489	357,716
Other income (expense):					
Interest expense	(34,267)	(5)	(2,518)	—	(36,790)
Interest income	38	359	5,649	—	6,046
Costs associated with refinancing of debt	(38,705)	—	—	—	(38,705)
Other	2,021	(511)	(5,594)	—	(4,084)
	(70,913)	(157)	(2,463)	—	(73,533)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	83,801	75,359	124,534	489	284,183
Income tax expense (benefit):					
Current	30,330	25,277	33,898	138	89,643
Deferred	(1,474)	1,866	4,859	—	5,251
	28,856	27,143	38,757	138	94,894
Earnings before equity in earnings of nonconsolidated subsidiaries	54,945	48,216	85,777	351	189,289
Equity in earnings of nonconsolidated subsidiaries	129,031	19,509	63	(148,574)	29
Net earnings	183,976	67,725	85,840	(148,223)	189,318
Less: Earnings attributable to noncontrolling interests	—	—	(5,342)	—	(5,342)
Net earnings attributable to Valmont Industries, Inc	$ 183,976	$ 67,725	$ 80,498	$(148,223)	$ 183,976

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

CONSOLIDATED STATEMENTS OF EARNINGS
For the Year ended December 28, 2013

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	$1,540,266	$689,230	$1,402,191	$(327,476)	$3,304,211
Cost of sales	1,107,020	503,431	1,078,695	(330,163)	2,358,983
Gross profit	433,246	185,799	323,496	2,687	945,228
Selling, general and administrative expenses	209,350	59,368	203,441	—	472,159
Operating income	223,896	126,431	120,055	2,687	473,069
Other income (expense):					
Interest expense	(30,801)	(2)	(1,699)	—	(32,502)
Interest income	55	1,032	5,390	—	6,477
Other	4,791	9	(2,427)	—	2,373
	(25,955)	1,039	1,264	—	(23,652)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	197,941	127,470	121,319	2,687	449,417
Income tax expense (benefit):					
Current	78,912	45,951	42,379	680	167,922
Deferred	(8,948)	(19)	(1,174)	—	(10,141)
	69,964	45,932	41,205	680	157,781
Earnings before equity in earnings of nonconsolidated subsidiaries	127,977	81,538	80,114	2,007	291,636
Equity in earnings of nonconsolidated subsidiaries	150,512	16,417	494	(166,588)	835
Loss from deconsolidation of subsidiary	—	—	(12,011)	—	(12,011)
Net earnings	278,489	97,955	68,597	(164,581)	280,460
Less: Earnings attributable to noncontrolling interests	—	—	(1,971)	—	(1,971)
Net earnings attributable to Valmont Industries, Inc	$ 278,489	$ 97,955	$ 66,626	$(164,581)	$ 278,489

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

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

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	$1,375,238	$620,338	$1,331,827	$(297,862)	$3,029,541
Cost of sales	1,008,087	489,560	1,026,037	(296,599)	2,227,085
Gross profit	367,151	130,778	305,790	(1,263)	802,456
Selling, general and administrative expenses	178,669	54,305	187,186	—	420,160
Operating income	188,482	76,473	118,604	(1,263)	382,296
Other income (expense):					
Interest expense	(31,121)	—	(1,845)	1,341	(31,625)
Interest income	45	1,533	8,035	(1,341)	8,272
Other	1,938	55	(1,646)	—	347
	(29,138)	1,588	4,544	—	(23,006)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	159,344	78,061	123,148	(1,263)	359,290
Income tax expense (benefit):					
Current	59,648	27,736	36,098	(700)	122,782
Deferred	(4,721)	(496)	8,937	—	3,720
	54,927	27,240	45,035	(700)	126,502
Earnings before equity in earnings of nonconsolidated subsidiaries	104,417	50,821	78,113	(563)	232,788
Equity in earnings of nonconsolidated subsidiaries	129,655	37,925	5,150	(166,602)	6,128
Net earnings	234,072	88,746	83,263	(167,165)	238,916
Less: Earnings attributable to noncontrolling interests	—	—	(4,844)	—	(4,844)
Net earnings attributable to Valmont Industries, Inc	$ 234,072	$ 88,746	$ 78,419	$(167,165)	$ 234,072

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Year ended December 27, 2014

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net earnings	$183,976	$ 67,725	$ 85,840	$(148,223)	$189,318
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized gains (losses) arising during the period	—	(51,536)	(30,739)		(82,275)
	—	(51,536)	(30,739)	—	(82,275)
Unrealized loss on cash flow hedge:					
Loss arising during the period	983	—	—	—	983
Gain on cash flow hedges	4,837	—	—	—	4,837
Amortization cost included in interest expense	594				594
	6,414	—	—	—	6,414
Actuarial gain (loss) in defined benefit pension plan liability	—		(13,709)		(13,709)
Equity in other comprehensive income	(93,162)			93,162	—
Other comprehensive income (loss)	(86,748)	(51,536)	(44,448)	93,162	(89,570)
Comprehensive income	97,228	16,189	41,392	(55,061)	99,748
Comprehensive income attributable to noncontrolling interests			(2,520)		(2,520)
Comprehensive income attributable to Valmont Industries, Inc.	$ 97,228	$ 16,189	$ $38,872	$ (55,061)	$ 97,228

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Year ended December 28, 2013

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net earnings	$ 278,489	$97,955	$ 68,597	$(164,581)	$280,460
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized gains (losses) arising during the period	—	(4,772)	(66,926)	—	(71,698)
Realized loss on sale of investment in foreign entity included in other expense	—	—	5,194	—	5,194
Realized loss on deconsolidation of subsidiary			8,559		8,559
	—	(4,772)	(53,173)	—	(57,945)
Unrealized loss on cash flow hedge:					
Amortization cost included in interest expense	400	—	—	—	400
	400	—	—	—	400
Actuarial gain (loss) in defined benefit pension plan liability	—	—	(41,282)	—	(41,282)
Equity in other comprehensive income	(106,430)	—	—	106,430	—
Other comprehensive income (loss)	(106,030)	(4,772)	(94,455)	106,430	(98,827)
Comprehensive income	172,459	93,183	(25,858)	(58,151)	181,633
Comprehensive income attributable to noncontrolling interests	—	—	(9,174)	—	(9,174)
Comprehensive income attributable to Valmont Industries, Inc.	$ 172,459	$93,183	$(35,032)	$ (58,151)	$172,459

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

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

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net earnings	$234,072	$88,746	$ 83,263	$(167,165)	$238,916
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized gains (losses) arising during the period	—	884	14,857	—	15,741
	—	884	14,857	—	15,741
Unrealized loss on cash flow hedge:					
Amortization cost included in interest expense	400	—	—	—	400
	400	—	—	—	400
Actuarial gain (loss) in defined benefit pension plan liability	—	—	(35,020)	—	(35,020)
Equity in other comprehensive income	(20,514)	—	—	20,514	—
Other comprehensive income (loss)	(20,114)	884	(20,163)	20,514	(18,879)
Comprehensive income	213,958	89,630	63,100	(146,651)	220,037
Comprehensive income attributable to noncontrolling interests	—	—	(6,079)	—	(6,079)
Comprehensive income attributable to Valmont Industries, Inc.	$213,958	$89,630	$ 57,021	$(146,651)	$213,958

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

CONSOLIDATED BALANCE SHEETS
For the Year ended December 27, 2014

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 69,869	$ 2,157	$ 299,553	$ —	$ 371,579
Receivables, net	158,316	68,414	310,188	—	536,918
Inventories	127,859	54,914	177,512	(763)	359,522
Prepaid expenses	7,087	502	49,323	—	56,912
Refundable and deferred income taxes	53,307	6,194	8,509	—	68,010
Total current assets	416,438	132,181	845,085	(763)	1,392,941
Property, plant and equipment, at cost	556,658	124,182	458,729	—	1,139,569
Less accumulated depreciation and amortization	319,899	65,493	147,724	—	533,116
Net property, plant and equipment	236,759	58,689	311,005	—	606,453
Goodwill	20,108	107,542	257,461		385,111
Other intangible assets	292	43,644	158,068		202,004
Investment in subsidiaries and intercompany accounts	1,446,989	825,236	887,055	(3,159,280)	—
Other assets	46,587	—	96,572		143,159
Total assets	$2,167,173	$1,167,292	$2,555,246	$(3,160,043)	$2,729,668
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current installments of long-term debt	$ 213	$ —	$ 968	$ —	$ 1,181
Notes payable to banks	—	—	13,952	—	13,952
Accounts payable	59,893	15,151	121,521		196,565
Accrued employee compensation and benefits	48,169	5,385	34,396	—	87,950
Accrued expenses	32,616	6,052	49,812	—	88,480
Dividends payable	9,086	—	—	—	9,086
Total current liabilities	149,977	26,588	220,649	—	397,214
Deferred income taxes	5,584	28,988	37,225	—	71,797
Long-term debt, excluding current installments	759,895	—	6,759	—	766,654
Defined benefit pension liability	—	—	150,124	—	150,124
Deferred compensation	41,803	—	6,129		47,932
Other noncurrent liabilities	8,081	—	37,461	—	45,542
Commitments and contingencies					
Shareholders' equity:					
Common stock of $1 par value	27,900	457,950	648,682	(1,106,633)	27,900
Additional paid-in capital	—	150,286	1,098,408	(1,248,694)	—
Retained earnings	1,718,662	552,676	397,302	(949,978)	1,718,662
Accumulated other comprehensive income	(134,433)	(49,196)	(96,065)	145,261	(134,433)
Treasury stock	(410,296)	—	—	—	(410,296)
Total Valmont Industries, Inc. shareholders' equity	1,201,833	1,111,716	2,048,327	(3,160,043)	1,201,833
Noncontrolling interest in consolidated subsidiaries			48,572		48,572
Total shareholders' equity	1,201,833	1,111,716	2,096,899	(3,160,043)	1,250,405
Total liabilities and shareholders' equity	$2,167,173	$1,167,292	$2,555,246	$(3,160,043)	$2,729,668

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

CONSOLIDATED BALANCE SHEETS
For the Year ended December 28, 2013

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 215,576	$ 29,797	$ 368,333	$ —	$ 613,706
Receivables, net	139,179	108,600	267,661	—	515,440
Inventories	132,953	70,231	176,816	—	380,000
Prepaid expenses	4,735	932	17,330	—	22,997
Refundable and deferred income taxes	41,167	8,351	16,179	—	65,697
Total current assets	533,610	217,911	846,319	—	1,597,840
Property, plant and equipment, at cost	522,734	125,764	368,628	—	1,017,126
Less accumulated depreciation and amortization	300,066	61,520	121,330	—	482,916
Net property, plant and equipment	222,668	64,244	247,298	—	534,210
Goodwill	20,108	107,542	221,982	—	349,632
Other intangible assets	346	48,461	122,110	—	170,917
Investment in subsidiaries and intercompany accounts	1,417,425	791,450	827,508	(3,036,388)	—
Other assets	30,759	—	112,513	(19,377)	123,895
Total assets	$2,224,916	$1,229,608	$2,377,730	$(3,055,760)	$2,776,494
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current installments of long-term debt	$ 188	$ —	$ 14	$ —	$ 202
Notes payable to banks	—	—	19,024	—	19,024
Accounts payable	62,153	20,365	133,603	—	216,121
Accrued employee compensation and benefits	76,370	13,713	32,884	—	122,967
Accrued expenses	28,362	7,315	35,883	—	71,560
Income Taxes Payable	—	19,377	—	(19,377)	—
Dividends payable	6,706	—	—	—	6,706
Total current liabilities	173,779	60,770	221,408	(19,377)	436,580
Deferred income taxes	18,983	29,310	30,631	—	78,924
Long-term debt, excluding current installments	470,175	—	732	—	470,907
Defined benefit pension liability	—	—	154,397	—	154,397
Deferred compensation	32,339	—	6,770	—	39,109
Other noncurrent liabilities	7,615	—	44,116	—	51,731
Commitments and contingencies					
Shareholders' equity:					
Common stock of $1 par value	27,900	457,950	648,682	(1,106,632)	27,900
Additional paid-in capital	—	150,286	891,236	(1,041,522)	—
Retained earnings	1,562,670	528,952	472,162	(1,001,114)	1,562,670
Accumulated other comprehensive income	(47,685)	2,340	(115,225)	112,885	(47,685)
Treasury stock	(20,860)	—	—	—	(20,860)
Total Valmont Industries, Inc. shareholders' equity	1,522,025	1,139,528	1,896,855	(3,036,383)	1,522,025
Noncontrolling interest in consolidated subsidiaries	—	—	22,821	—	22,821
Total shareholders' equity	1,522,025	1,139,528	1,919,676	(3,036,383)	1,544,846
Total liabilities and shareholders' equity	$2,224,916	$1,229,608	$2,377,730	$(3,055,760)	$2,776,494

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended December 27, 2014

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Cash flows from operating activities:					
Net earnings	$ 183,976	$ 67,725	$ 85,840	$(148,223)	$ 189,318
Adjustments to reconcile net earnings to net cash flows from operations:					
Depreciation and amortization	24,509	12,926	51,893	—	89,328
Loss on investment	—	—	3,795	—	3,795
Non-cash debt refinancing costs	(2,478)	—	—	—	(2,478)
Stock-based compensation	6,730	—	—	—	6,730
Defined benefit pension plan expense	—	—	2,638	—	2,638
Contribution to defined benefit pension plan	—	—	(18,173)	—	(18,173)
Change in fair value of contingent consideration	—	—	(4,300)	—	(4,300)
(Gain) loss on sale of property, plant and equipment	145	143	104	—	392
Equity in earnings in nonconsolidated subsidiaries	(129,031)	(19,509)	(63)	148,574	(29)
Deferred income taxes	(1,474)	1,866	4,859	—	5,251
Changes in assets and liabilities (net of the effect from acquisitions):					
Receivables	(19,136)	40,186	(20,143)	—	907
Inventories	5,094	15,317	1,047	—	21,458
Prepaid expenses	(2,352)	429	(11,671)	—	(13,594)
Accounts payable	(2,260)	(5,212)	(26,849)	—	(34,321)
Accrued expenses	(21,448)	(9,590)	(3,740)	—	(34,778)
Other noncurrent liabilities	622	—	1,133	—	1,755
Income taxes payable	(24,945)	(19,417)	4,559	—	(39,803)
Net cash flows from operating activities	17,952	84,864	70,929	351	174,096
Cash flows from investing activities:					
Purchase of property, plant and equipment	(41,260)	(2,823)	(28,940)	—	(73,023)
Acquisitions, net of cash acquired	—	—	(185,710)	—	(185,710)
Proceeds from sale of assets	43	126	2,320	—	2,489
Other, net	34,735	(73,799)	38,796	(351)	(619)
Net cash flows from investing activities	(6,482)	(76,496)	(173,534)	(351)	(256,863)
Cash flows from financing activities:					
Net borrowings under short-term agreements	—	—	(4,472)	—	(4,472)
Proceeds from long-term borrowings	652,540	—	(329)	—	652,211
Principal payments on long-term obligations	(356,994)	—	(864)	—	(357,858)
Settlement of financial derivative	4,981	—	—	—	4,981
Dividends paid	(32,443)	—	—	—	(32,443)
Intercompany dividends	116,995	(36,600)	(80,395)	—	—
Intercompany interest on long-term note	—	648	(648)	—	—
Intercompany capital contribution	(143,000)	—	143,000	—	—
Dividends to noncontrolling interest	—	—	(2,919)	—	(2,919)
Debt issuance fees	(7,644)	—	—	—	(7,644)
Proceeds from exercises under stock plans	14,572	—	—	—	14,572
Excess tax benefits from stock option exercises	4,264	—	—	—	4,264
Purchase of treasury shares	(395,045)	—	—	—	(395,045)
Purchase of common treasury shares—stock plan exercises	(15,403)	—	—	—	(15,403)
Net cash flows from financing activities	(157,177)	(35,952)	53,373	—	(139,756)
Effect of exchange rate changes on cash and cash equivalents	—	(56)	(19,548)	—	(19,604)
Net change in cash and cash equivalents	(145,707)	(27,640)	(68,780)	—	(242,127)
Cash and cash equivalents—beginning of year	215,576	29,797	368,333	—	613,706
Cash and cash equivalents—end of year	$ 69,869	$ 2,157	$ 299,553	$ —	$ 371,579

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended December 28, 2013

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Cash flows from operating activities:					
Net earnings	$ 278,489	$ 97,955	$ 68,597	$(164,581)	$ 280,460
Adjustments to reconcile net earnings to net cash flows from operations:					
Depreciation and amortization	21,270	12,862	43,304	—	77,436
Deconsolidation of subsidiary	—	—	12,011	—	12,011
Impairment of property, plant and equipment	—	—	12,161	—	12,161
Stock-based compensation	6,513	—	—	—	6,513
Defined benefit pension plan expense	—	—	6,569	—	6,569
Contribution to defined benefit pension plan	—	—	(17,619)	—	(17,619)
(Gain) loss on sale of property, plant and equipment	885	42	(5,245)	—	(4,318)
Equity in earnings in nonconsolidated subsidiaries	(150,512)	(16,417)	(494)	166,588	(835)
Deferred income taxes	(8,948)	(19)	(1,174)	—	(10,141)
Changes in assets and liabilities (net of the effect from acquisitions):					—
Receivables	6,181	(22,259)	3,370	—	(12,708)
Inventories	12,966	1,757	(1,292)	—	13,431
Prepaid expenses	2,417	98	1,600	—	4,115
Accounts payable	(10,458)	(1,643)	24,549	—	12,448
Accrued expenses	19,191	5,824	(3,317)	—	21,698
Other noncurrent liabilities	3,201	—	(4,675)	—	(1,474)
Income taxes payable	(5,908)	(3,251)	5,029	825	(3,305)
Net cash flows from operating activities	175,287	74,949	143,374	2,832	396,442
Cash flows from investing activities:					
Purchase of property, plant and equipment	(76,582)	(4,439)	(25,732)	—	(106,753)
Acquisitions, net of cash acquired	—	—	(63,152)	—	(63,152)
Proceeds from sale of assets	794	35	36,753	—	37,582
Other, net	86,258	(83,327)	503	(2,832)	602
Net cash flows from investing activities	10,470	(87,731)	(51,628)	(2,832)	(131,721)
Cash flows from financing activities:					
Net borrowings under short-term agreements	—	—	5,510	—	5,510
Proceeds from long-term borrowings	—	—	274	—	274
Principal payments on long-term obligations	(187)	—	(404)	—	(591)
Cash decrease due to deconsolidation of subsidiary	—	—	(11,615)	—	(11,615)
Dividends paid	(25,414)	—	—	—	(25,414)
Intercompany dividends	8,947	20,133	(29,080)	—	—
Intercompany interest on long-term note	—	1,229	(1,229)	—	—
Intercompany principal payment on long-term note	—	22,430	(22,430)	—	—
Dividends to noncontrolling interest	—	—	(1,767)	—	(1,767)
Purchase of noncontrolling interest	—	—	(9,324)	—	(9,324)
Proceeds from exercises under stock plans	16,348	—	—	—	16,348
Excess tax benefits from stock option exercises	5,306	—	—	—	5,306
Purchase of common treasury shares—stock plan exercises	(16,107)	—	—	—	(16,107)
Net cash flows from financing activities	(11,107)	43,792	(70,065)	—	(37,380)
Effect of exchange rate changes on cash and cash equivalents	—	(7,927)	(19,837)	—	(27,764)
Net change in cash and cash equivalents	174,650	23,083	1,844	—	199,577
Cash and cash equivalents—beginning of year	40,926	6,714	366,489	—	414,129
Cash and cash equivalents—end of year	$ 215,576	$ 29,797	$368,333	$ —	$ 613,706

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

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

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Cash flows from operations:					
Net earnings	$ 234,072	$ 88,746	$ 83,263	$(167,165)	$ 238,916
Adjustments to reconcile net earnings to net cash flows from operations:					
Depreciation and amortization	19,121	12,923	38,174	—	70,218
Stock-based compensation	5,829	—	—	—	5,829
Defined benefit pension plan expense	—	—	4,281	—	4,281
Contribution to defined benefit pension plan	—	—	(11,591)	—	(11,591)
Loss on sale of property, plant and equipment	89	(17)	249	—	321
Equity in earnings in nonconsolidated subsidiaries	(129,655)	(37,925)	(5,150)	166,602	(6,128)
Deferred income taxes	(4,721)	(496)	8,937	—	3,720
Other	—	—	—	—	—
Changes in assets and liabilities, before acquisitions:					
Receivables	(21,751)	(32,833)	(30,306)	—	(84,890)
Inventories	(20,756)	5,850	1,293	—	(13,613)
Prepaid expenses	(3,705)	(20)	4,968	—	1,243
Accounts payable	4,446	578	(11,273)	—	(6,249)
Accrued expenses	20,339	945	(644)	—	20,640
Other noncurrent liabilities	123	—	(4,473)	—	(4,350)
Income taxes payable (refundable)	(18,979)	350	(1,921)	(700)	(21,250)
Net cash flows from operations	84,452	38,101	75,807	(1,263)	197,097
Cash flows from investing activities:					
Purchase of property, plant and equipment	(43,590)	(22,197)	(31,287)	—	(97,074)
Acquisitions, net of cash acquired	—	—	(45,687)	—	(45,687)
Proceeds from sale of assets	113	39	5,873	—	6,025
Other, net	(10,192)	(18,397)	27,370	1,263	44
Net cash flows from investing activities	(53,669)	(40,555)	(43,731)	1,263	(136,692)
Cash flows from financing activities:					
Net borrowings under short-term agreements	—	—	1,828	—	1,828
Proceeds from long-term borrowings	39,000	—	126	—	39,126
Principal payments on long-term obligations	(39,197)	—	(367)	—	(39,564)
Dividends paid	(21,520)	—	—	—	(21,520)
Dividends to noncontrolling interest	—	—	(1,944)	—	(1,944)
Proceeds from sale of partial ownership interest	—	—	1,404	—	1,404
Debt issuance fees	(1,747)	—	—	—	(1,747)
Proceeds from exercises under stock plans	21,827	—	—	—	21,827
Excess tax benefits from stock option exercises	5,494	—	—	—	5,494
Purchase of common treasury shares—stock plan exercises	(21,259)	—	—	—	(21,259)
Net cash flows from financing activities	(17,402)	—	1,047	—	(16,355)
Effect of exchange rate changes on cash and cash equivalents	—	2,285	4,900	—	7,185
Net change in cash and cash equivalents	13,381	(169)	38,023	—	51,235
Cash and cash equivalents—beginning of year	27,545	6,883	328,466	—	362,894
Cash and cash equivalents—end of year	$ 40,926	$ 6,714	$366,489	$ —	$ 414,129

(20) QUARTERLY FINANCIAL DATA (Unaudited)

			Net Earnings					
				Per Share		Stock Price		
	Net Sales	Gross Profit	Amount	Basic	Diluted	High	Low	Dividends Declared
2014								
First	$ 751,740	$206,982	$ 55,980	$ 2.10	$ 2.08	$155.64	$141.74	$0.250
Second	842,599	220,477	63,976	2.40	2.38	163.23	143.02	0.375
Third(1)	765,668	199,500	23,559	0.93	0.92	155.62	131.68	0.375
Fourth	763,136	181,158	40,461	1.67	1.66	139.31	123.44	0.375
Year	$3,123,143	$808,117	$183,976	$ 7.15	$ 7.09	$163.23	$123.44	$1.375
2013								
First	$ 819,630	$235,369	$ 77,569	$ 2.92	$ 2.89	$164.93	$133.40	$0.225
Second	878,659	261,471	89,563	3.36	3.33	157.99	132.16	0.250
Third	778,032	225,564	56,489	2.12	2.10	153.16	133.38	0.250
Fourth(2)	827,890	222,824	54,868	2.06	2.04	150.58	129.00	0.250
Year	$3,304,211	$945,228	$278,489	$10.45	$10.35	$164.93	$129.00	$0.975

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

(1) The third quarter of 2014 included costs associated with refinancing of our long-term debt of $24.2 million after tax ($0.95 per share) and a non-cash fair market value adjustment for Delta EMD shares of $1.4 million after tax ($.05 per share).

(2) The fourth quarter of 2013 included a non-cash after-tax loss of $12,011 ($.45 per share) associated with the deconsolidation of Delta EMD Pty. Ltd. and an after-tax loss of $4,569 ($0.17 per share) related to a fixed asset impairment loss.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES.

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

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Securities Exchange Act Rule 13a-15(f). The Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's internal control over financial reporting. The Company's management used the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations (COSO) to perform this evaluation. Based on that evaluation, the Company's management concluded that the Company's internal control over financial reporting was effective as of December 27, 2014. The Company acquired DS SM A/S (renamed Valmont SM) on March 3, 2014, and it represented approximately 6% of its total assets as of December 27, 2014, 5% of its net sales, and 4% of its operating income for fiscal 2014. As the acquisition occurred during the last 12 months, the scope of the Company's assessment of the effectiveness of internal control over financial reporting does not include Valmont SM. This exclusion is in accordance with the SEC's general guidance that an assessment of a recently acquired business may be omitted from the Company's scope in the year of acquisition.

The effectiveness of the Company's internal control over financial reporting as of December 27, 2014 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, a copy of which is included in this Annual Report on Form 10-K.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the internal control over financial reporting of Valmont Industries, Inc. and subsidiaries (the "Company") as of December 27, 2014, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Valmont SM, which was acquired on March 3, 2014 and whose financial statements constitute approximately 6% of total assets, 5% of net revenues, and 4% of operating income of the consolidated financial statement amounts as of and for the year ended December 27, 2014. Accordingly, our audit did not include the internal control over financial reporting at Valmont SM. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 27, 2014, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

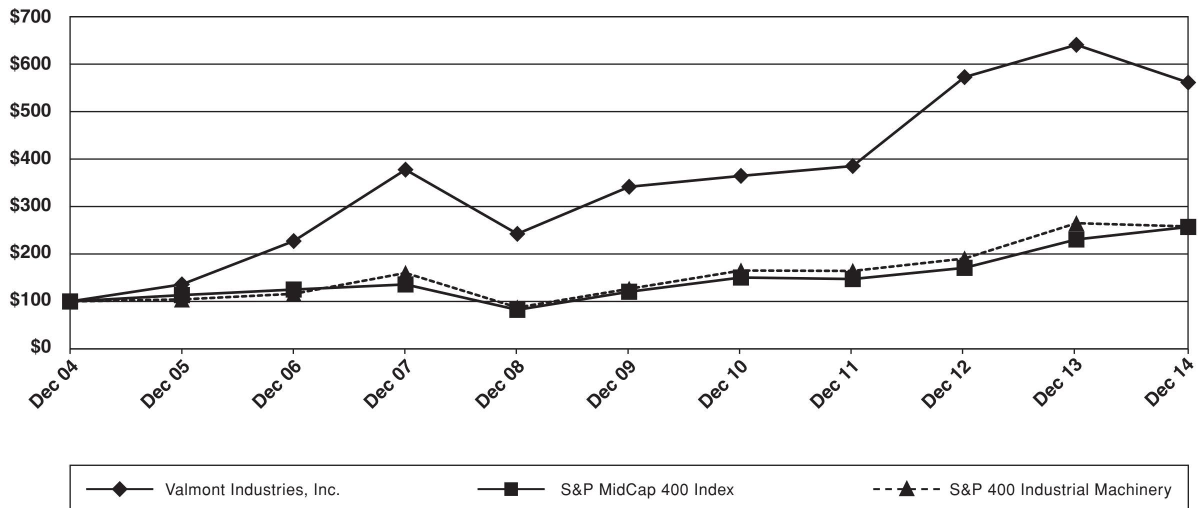
We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 27, 2014, of the Company and our report dated February 25, 2015 expressed an unqualified opinion on those financial statements and financial statement schedule.

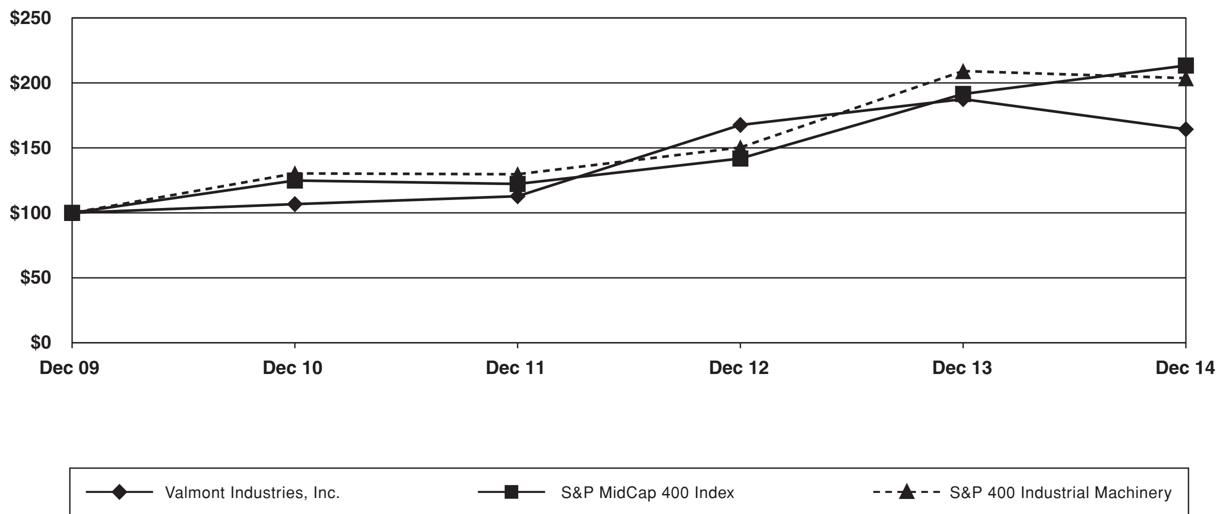
/s/ Deloitte & Touche LLP
Omaha, Nebraska
February 25, 2015

ITEM 9B. OTHER INFORMATION.

Shareholder Return Performance Graphs

The graphs below compare the yearly change in the cumulative total shareholder return on the Company's common stock with the cumulative total returns of the S&P Mid Cap 400 Index and the S&P Mid Cap 400 Industrial Machinery Index for the five and ten-year periods ended December 27, 2014. The Company was added to these indexes in 2009 by Standard & Poor's. The graphs assume that the beginning value of the investment in Valmont Common Stock and each index was $100 and that all dividends were reinvested.





PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Except for the information relating to the executive officers of the Company set forth in Part I of this 10-K Report, the information called for by items 10, 11, and 13 is incorporated by reference to the sections entitled "Certain Shareholders", "Corporate Governance", "Board of Directors and Election of Directors", "Compensation Discussion and Analysis", "Compensation Committee Report", "Summary Compensation Table", "Grants of Plan-Based Awards for Fiscal Year 2014", "Outstanding Equity Awards at Fiscal Year-End", "Options Exercised and Stock Vested", "Nonqualified Deferred Compensation", "Director Compensation", "Potential Payments Upon Termination or Change-in-Control" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement.

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

ITEM 11. EXECUTIVE COMPENSATION.

See Item 10.

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

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

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

See Item 10.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

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

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

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

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

Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm 47
Consolidated Statements of Earnings—Three-Year Period Ended December 27, 2014 48
Consolidated Statements of Comprehensive Income—Three-Year Period Ended December 27, 2014 49
Consolidated Balance Sheets—December 27, 2014 and December 28, 2013 50
Consolidated Statements of Cash Flows—Three-Year Period Ended December 27, 2014 51
Consolidated Statements of Shareholders' Equity—Three-Year Period Ended December 27, 2014 52
Notes to Consolidated Financial Statements—Three-Year Period Ended December 27, 2014 . 53

The following financial statement schedule of the Company is included herein:

SCHEDULE II—Valuation and Qualifying Accounts 107

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

(a)(3) *Exhibits*.

Index to Exhibits, Page 109

Schedule II

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

	Balance at beginning of period	Charged to profit and loss	Deductions from reserves*	Balance at close of period
Fifty-two weeks ended December 27, 2014				
Reserve deducted in balance sheet from the asset to which it applies—				
Allowance for doubtful receivables	$ 10,369	1,780	(2,227)	$ 9,922
Allowance for deferred income tax asset valuation	107,767	(3,280)	—	104,487
Fifty-two weeks ended December 28, 2013				
Reserve deducted in balance sheet from the asset to which it applies—				
Allowance for doubtful receivables	$ 7,898	4,674	(2,203)	$ 10,369
Allowance for deferred income tax asset valuation	120,979	(13,212)	—	107,767
Fifty-two weeks ended December 29, 2012				
Reserve deducted in balance sheet from the asset to which it applies—				
Allowance for doubtful receivables	$ 7,555	1,336	(993)	$ 7,898
Allowance for deferred income tax asset valuation	123,522	(2,543)	—	120,979

* The deductions from reserves are net of recoveries.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 25th day of February, 2015.

Valmont Industries, Inc.

By: /s/ MOGENS C. BAY

Mogens C. Bay
Chief Executive Officer

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

Signature	Title	Date
/s/ MOGENS C. BAY Mogens C. Bay	Director, Chairman and Chief Executive Officer (Principal Executive Officer)	2/25/2015
/s/ MARK C. JAKSICH Mark C. Jaksich	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	2/25/2015
/s/ TIMOTHY P. FRANCIS Timothy P. Francis	Vice President and Controller (Principal Accounting Officer)	2/25/2015
Walter Scott, Jr.*	Kenneth E. Stinson*	
Glen A. Barton*	James B. Milliken*	
Daniel P. Neary*	K.R. (Kaj) den Daas*	
Catherine James Paglia*	Clark (Sandy) Randt*	

* Mogens C. Bay, by signing his name hereto, signs the Annual Report on behalf of each of the directors indicated on this 25th day of February, 2015. A Power of Attorney authorizing Mogens C. Bay to sign the Annual Report on Form 10-K on behalf of each of the indicated directors of Valmont Industries, Inc. has been filed herein as Exhibit 24.

By: /s/ MOGENS C. BAY

Mogens C. Bay
Attorney-in-Fact

INDEX TO EXHIBITS

Exhibit 3.1	—	The Company's Restated Certificate of Incorporation, as amended. This document was filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (Commission file number 001-31429) for the quarter ended March 28, 2009 and is incorporated herein by this reference.
Exhibit 3.2	—	The Company's By-Laws, as amended. This document was filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 2014 and is incorporated herein (Commision file number 001-31429) by reference.
Exhibit 4.1	—	Credit Agreement, dated as of August 15, 2012, among the Company, Valmont Industries Holland B.V. and Valmont Group Pty. Ltd., as Borrowers, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other lenders party thereto. This document was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated August 15, 2012 and is incorporated herein by reference.
Exhibit 4.2	—	First Amendment dated as of October 17, 2014 to Credit Agreement, dated as of August 15, 2012, among the Company, Valmont Industries Holland B.V. and Valmont Group Pty. Ltd., as Borrowers, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other lenders party thereto. This document was filed as exhibit 4.2 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated October 17, 2014 and is incorporated herein by this reference.
Exhibit 4.3	—	Indenture relating to senior debt, dated as of April 12, 2010, among Valmont Industries, Inc., the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association., as Trustee. This document was filed as Exhibit 4.1 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated April 12, 2010 and is incorporated herein by this reference.
Exhibit 4.4	—	First Supplemental Indenture, dated as of April 12, 2010, to indenture relating to senior debt, dated as of April 12, 2010, among Valmont Industries, Inc., the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, as Trustee. This document was filed as Exhibit 4.2 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated April 12, 2010 and is incorporated herein by this reference.
Exhibit 4.5	—	Second Supplemental Indenture, dated as of September 22, 2014, to Indenture relating to senior debt, dated as of April 12, 2010, among Valmont Industries, Inc., the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, as Trustee. This document was filed as Exhibit 4.2 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated September 22, 2014 and is incorporated herein by this reference.
Exhibit 4.6	—	Third Supplemental Indenture, dated as of September 22, 2014, to Indenture relating to senior debt, dated as of April 12, 2010, among Valmont Industries, Inc., the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, as Trustee. This document was filed as Exhibit 4.2 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated September 22, 2014 and is incorporated herein by this reference.

Exhibit 10.1	—	The Company's 1996 Stock Plan. This document was filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K (Commission file number 001-31429) for the year ended December 26, 2009 and is incorporated herein by this reference.
Exhibit 10.2	—	The Company's 1999 Stock Plan, as amended. This document was filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K (Commission file number 001-31429) for the year ended December 26, 2009 and is incorporated herein by this reference.
Exhibit 10.3	—	The Company's 2002 Stock Plan. This document was filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K (Commission file number 001-31429) for the year ended December 31, 2011 and is incorporated herein by reference.
Exhibit 10.4	—	Amendment No. 1 to Valmont 2002 Stock Plan. This document was filed as Exhibit 10.4 to the Company's Annual Report on Form 10-K (Commission file number 001-31429) for the year ended December 26, 2009 and is incorporated herein by this reference.
Exhibit 10.5	—	The Company's 2008 Stock Plan. This document was filed as Exhibit 10.5 to the Company's Annual Report on Form 10-K (Commission file number 001-31429) for the fiscal year ended December 28, 2013 and is incorporated herein by this reference.
Exhibit 10.6	—	The Company's 2013 Stock Plan. This document was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated April 30, 2013 and is incorporated herein by reference.
Exhibit 10.7*	—	Form of Stock Option Agreement.
Exhibit 10.8	—	Form of Restricted Stock Agreement. This document was filed as Exhibit 10.4 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated April 30, 2013 and is incorporated herein by reference.
Exhibit 10.9	—	Form of Restricted Stock Unit Agreement (Director). This document was filed as Exhibit 10.5 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated April 30, 2013 and is incorporated herein by reference.
Exhibit 10.10*	—	Form of Restricted Stock Unit Agreement.
Exhibit 10.11	—	Form of Restricted Stock Unit Agreement (Foreign Employee). This document was filed as Exhibit 10.6 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated April 30, 2013 and is incorporated herein by this reference.
Exhibit 10.12	—	Form of Director Stock Option Agreement. This document was filed as Exhibit 10.9 to the Company's Annual Report on form 10-K (Commission file number 001-31429) for the year ended December 29, 2012 and is incorporated herein by reference.
Exhibit 10.13	—	The 2008 Valmont Executive Incentive Plan. This document was filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K (Commission file number 001-31429) for the fiscal year ended December 28, 2013 and is incorporated herein by this reference.
Exhibit 10.14	—	The 2013 Valmont Executive Incentive Plan. This document was filed as Exhibit 10.2 to the Company's Current Report on Form 8-K (Commission file number 001-31429) dated April 30, 2013 and is incorporated herein by reference.

Exhibit 10.15	—	Director and Named Executive Officers Compensation, is incorporated by reference to the sections entitled "Compensation Discussion and Analysis", "Compensation Committee Report", "Summary Compensation Table", "Grants of Plan-Based Awards for Fiscal Year 2014", "Outstanding Equity Awards at Fiscal Year-End", "Options Exercised and Stock Vested", "Nonqualified Deferred Compensation", and "Director Compensation" in the Company's Proxy Statement for the Annual Meeting of Stockholders on April 28, 2015.
Exhibit 10.16	—	The Amended Unfunded Deferred Compensation Plan for Nonemployee Directors. This document was filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K (Commission file number 001-31429) for the fiscal year ended December 28, 2013 and is incorporated herein by this reference.
Exhibit 10.17	—	VERSP Deferred Compensation Plan. This document was filed as Exhibit 10.16 to the Company's Annual Report on Form 10-K (Commission file number 001-31429) for the fiscal year ended December 28, 2013 and is incorporated herein by this reference.
Exhibit 21*	—	Subsidiaries of the Company.
Exhibit 23*	—	Consent of Deloitte & Touche LLP.
Exhibit 24*	—	Power of Attorney.
Exhibit 31.1*	—	Section 302 Certification of Chief Executive Officer.
Exhibit 31.2*	—	Section 302 Certification of Chief Financial Officer.
Exhibit 32.1*	—	Section 906 Certifications.
Exhibit 101	—	The following financial information from the Company's Annual Report on Form 10-K for the year ended December 27, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Earnings, (ii) the Consolidated Statements of Comprehensive Income,(iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Shareholders' Equity, (vi) Notes to Consolidated Financial Statements, and (vii) document and entity information.

* Filed herewith

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

Management contracts and compensatory plans are set forth as exhibits 10.1 through 10.17.

Exhibit 24

POWER OF ATTORNEY

The undersigned Directors of Valmont Industries, Inc., a Delaware Corporation, hereby constitute and appoint Mogens C. Bay as attorney-in-fact in their name, place and stead to execute Valmont's annual report on Form 10-K for the fiscal year ended December 27, 2014, together with any and all subsequent amendments thereof in their capacity as Director and hereby ratify all that said attorney-in-fact may do by virtue thereof.

DATED this 24th day of February, 2015.

/s/ GLEN A. BARTON
Glen A. Barton, Director

/s/ K.R. (KAJ) DEN DAAS
K. R. (Kaj) den Daas, Director

/s/ JAMES B. MILLIKEN
James B. Milliken, Director

/s/ DANIEL P. NEARY
Daniel P. Neary, Director

/s/ CATHERINE J. PAGLIA
Catherine J. Paglia, Director

/s/ CLARK T. RANDT, JR.
Clark T. Randt, Jr., Director

/s/ WALTER SCOTT, JR.
Walter Scott, Jr., Director

/s/ KENNETH E. STINSON
Kenneth E. Stinson, Director

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Mogens C. Bay, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 27, 2014, of Valmont Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MOGENS C. BAY

Mogens C. Bay
Chairman and Chief Executive Officer

Date: February 25, 2015

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Mark C. Jaksich, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 27, 2014 of Valmont Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report)that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MARK C. JAKSICH

Mark C. Jaksich
Executive Vice President and Chief Financial Officer

Date: February 25, 2015

Exhibit 32.1

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 Annual Report on Form 10-K for the year ended December 27, 2014 (the "Report").

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

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 25th day of February, 2015.

/s/ MOGENS C. BAY

Mogens C. Bay
Chairman and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

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

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

The undersigned, Mark C. Jaksich, Executive Vice President and Chief Financial Officer of Valmont Industries, Inc. (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Annual Report on Form 10-K for the year ended December 27, 2014 (the "Report").

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

3. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

4. 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 25th day of February, 2015.

/s/ MARK C. JAKSICH

Mark C. Jaksich
Executive Vice President and Chief Financial Officer

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BOARD OF DIRECTORS

GLEN A. BARTON
Retired Chairman and
Chief Executive Officer
Caterpillar, Inc.
Director Since 2004

MOGENS C. BAY
Chairman and
Chief Executive Officer
Valmont Industries, Inc.
Director Since 1993

KAJ DEN DAAS
Retired
Executive Vice President
Philips Lighting, B.V.
of the Netherlands
Director Since 2004

JAMES B. MILLIKEN
Chancellor
City University of New York
Director Since 2011

DANIEL P. NEARY
Chairman and
Chief Executive Officer
Mutual of Omaha
Director Since 2005

CATHERINE J. PAGLIA
Director
Enterprise Asset Management
Director Since 2012

AMBASSADOR
CLARK T. RANDT, JR.
Former U.S. Ambassador
to the People's Republic of China
Director Since 2009

WALTER SCOTT, JR.
Retired Chairman
Peter Kiewit Sons,' Inc.
Director Since 1981

KENNETH E. STINSON
Lead Director
Chairman Emeritus
Peter Kiewit Sons', Inc.
Director Since 1996

AUDIT COMMITTEE
Walter Scott, Jr. (Chairman)
Kaj den Daas
Daniel P. Neary
Catherine J. Paglia

HUMAN RESOURCES COMMITTEE
Glen A. Barton (Chairman)
Daniel P. Neary
Catherine J. Paglia
Kenneth E. Stinson

GOVERNANCE AND NOMINATING COMMITTEE
Clark T. Randt, Jr. (Chairman)
Glen A. Barton
James B. Milliken

INTERNATIONAL COMMITTEE
Kaj den Daas (Chairman)
Mogens C. Bay
James B. Milliken
Clark T. Randt, Jr.

CORPORATE & BUSINESS UNIT MANAGEMENT

CORPORATE MANAGEMENT

MOGENS C. BAY
Chairman & Chief Executive Officer

MARK C. JAKSICH
Executive Vice President & Chief Financial Officer

TODD G. ATKINSON
Executive Vice President & Corporate Secretary

C. LEE ADDAMS
Senior Vice President Strategy & Government Relations

VANESSA BROWN
Senior Vice President Human Resources

BRIAN DESIGIO
Senior Vice President Corporate Development

TIMOTHY P. FRANCIS
Vice President & Corporate Controller

JOHN A. KEHOE
Vice President Information Technology

STEPHEN B. LEGRAND
Vice President Operational Excellence

DARREL G. MORELAND
Vice President and Head of Audit

WALTER P. PASKO
Vice President Procurement

BUSINESS UNIT MANAGEMENT

UTILITY SUPPORT STRUCTURES

Earl R. Foust
Group President
Global Utility

Stephen Kaniewski
Senior Vice President
& Managing Director

Douglas M. Bryson
Vice President
Steel Operations

Chris Colwell
Vice President
Strategy & Commerce

Timothy L. Kennedy
Vice President
Human Resources

Larry Price
Vice President
& Group Controller

Steven A. Schmid
Vice President
Operational Excellence

IRRIGATION

Leonard M. Adams
Group President
Global Irrigation

Robert J. Ludvik
Vice President
& Group Controller

Craig Malsam
Vice President
Engineering & Strategic
Technology Development

Matt Ondrejko
Vice President
Global Marketing

Richard J. Panowicz
Vice President Sales
North American Irrigation

Aaron Schapper
Vice President
& General Manager
International Irrigation

Gregory J. Zinger
Vice President
Human Resources

COATINGS & TUBING

Richard S. Cornish
Group President
Global Coatings & Tubing

Russell Sheehan
Managing Director
Industrial Galvanizers
Australia

Pete Smith
Vice President
& General Manager
North American Galvanizing

ENGINEERED INFRASTRUCTURE PRODUCTS

Vik Bansal
Group President
Global Engineered
Infrastructure Products

Michael Banat
Vice President
& General Manager
International Utility

Viswanath Devarajan
Managing Director
India

Claus Bo Jørgensen
Chief Executive Officer
Valmont SM A/S

Brian L. Ketcham
Vice President
& Group Controller

Gary P. King
Vice President
& General Manager
U.S. Lighting & Traffic

Ed Sill
Chief Executive Officer
Webforge-Locker

Piet Stevens
Vice President
& General Manager
Europe, Middle East & Africa

Jerry Wang
President
Structures, China

David Wong
Managing Director
Asia

CORPORATE & STOCK INFORMATION

Corporate Headquarters

Valmont Industries, Inc.
One Valmont Plaza
Omaha, Nebraska 68154-5215 USA
Tel 1-402-963-1000
Fax 1-402-963-1198
Online www.valmont.com

Independent Public Accountants

Deloitte & Touche LLP
Omaha, Nebraska USA

Legal Counsel

McGrath North Mullin & Kratz, PC LLO
Omaha, Nebraska USA

Stock Transfer Agent and Registrar Address Shareholder Inquiries to:

Wells Fargo Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120 USA
1-866-886-9962

Send Certificates for Transfer and Address Changes to:

Wells Fargo Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120 USA
1-866-886-9962

Annual Meeting

The annual meeting of Valmont's shareholders will be held at 2:00 p.m. on Tuesday, April 28, 2015, at the Omaha Marriott Hotel, 10220 Regency Circle 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 website 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 website our (1) Corporate Governance Principles, (2) Charters for the Audit Committee, Human Resources Committee, Governance and Nominating Committee and International 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
Investor Relations Department
Valmont Industries, Inc.
One Valmont Plaza
Omaha, Nebraska 68154-5215 USA
Tel 1-402-963-1000
Fax 1-402-963-1096

Conserving Resources. Improving Life.

Valmont Industries, Inc.
One Valmont Plaza
Omaha, Nebraska 68154 USA
1-402-963-1000
valmont.com