AZZ INC
Form 11-K
August 27, 2010

FORM 11-K

[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

For the fiscal year ended February 28, 2010

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ______________

Commission File Number 1 - 12777

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

AZZ incorporated Employee Benefit Plan & Trust

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

AZZ incorporated
One Museum Place
3100 West 7th Street, Suite 500
Fort Worth, Texas 76107

REQUIRED INFORMATION

The AZZ incorporated Employee Benefit Plan & Trust is subject to the requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”). Attached hereto is a copy of the most recent financial statements and schedules of the AZZ incorporated Employee Benefit Plan & Trust prepared in accordance with the financial reporting requirements of ERISA.

AZZ incorporated
Employee Benefit Plan and Trust

Financial Statements
and Supplemental Schedule

Years Ended February 28, 2010 and 2009
with Report of Independent
Registered Public Accounting Firm

AZZ incorporated Employee Benefit Plan and Trust

Financial Statements and Supplemental Schedule

Years Ended February 28, 2010 and 2009

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NOTE: All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted since they are either not applicable or the information required therein has been included in the financial statements or notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator of the
AZZ incorporated Employee Benefit Plan and Trust

We have audited the accompanying statement of net assets available for benefits of the AZZ incorporated Employee Benefit Plan and Trust (the Plan) as of February 28, 2010, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the AZZ incorporated Employee Benefit Plan and Trust as of February 28, 2010, and the changes in its net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
August 27, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator of the
AZZ incorporated Employee Benefit Plan & Trust

We have audited the accompanying statements of net assets available for benefits of the AZZ incorporated Employee Benefit Plan & Trust as of February 28, 2009 and February 29, 2008 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements 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. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the AZZ incorporated Employee Benefit Plan & Trust as of February 28, 2009 and February 29, 2008, and the changes in its net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Schedule H, line 4i- schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

WHITLEY PENN, LLP

Fort Worth, Texas
August 26, 2009

AZZ incorporated Employee Benefit Plan and Trust

Statements of Net Assets Available for Benefits

	February 28,	
	2010	2009
Assets		
Investments, at fair value:		
Shares of registered investment companies:		
Mutual funds	$32,098,981	$18,501,130
AZZ incorporated common stock	497,975	404,733
Money market fund	4,149,319	3,611,292
Participant loans	1,417,489	916,326
Total investments	38,163,764	23,433,481
Receivables:		
Employer contributions	5,161,439	6,291,189
Participant contributions	95,874	106,185
Other	23,894	-
Total receivables	5,281,207	6,397,374
Total assets	43,444,971	29,830,855
Liabilities		
Excess contributions payable	-	78,805
Net Assets Available for Benefits	$43,444,971	$29,752,050

AZZ incorporated Employee Benefit Plan and Trust

Statements of Changes in Net Assets Available for Benefits

	Year Ended February 28,	
	2010	2009
Additions to Net Assets		
Investment income:		
Interest and dividend income	$821,908	$923,630
Net realized and unrealized gains (losses)	8,725,001	(10,730,820)
Other gains (losses)	58,045	-
Total investment income	9,604,954	(9,807,190)
Contributions received or receivable:		
Employer	6,430,451	7,605,401
Participants	2,728,950	2,864,065
Others (including rollovers)	323,835	241,435
Total contributions	9,483,236	10,710,901
Total additions	19,088,190	903,711
Deductions from Net Assets		
Benefits paid to participants	5,366,793	3,086,100
Other fees/expenses	28,476	-
	5,395,269	3,086,100
Net increase (decrease) in net assets available for benefits	13,692,921	(2,182,389)
Net assets available for benefits at beginning of year	29,752,050	31,934,439
Net assets available for benefits at end of year	$43,444,971	$29,752,050

AZZ incorporated Employee Benefit Plan and Trust

Notes to Financial Statements

A. Description of the Plan

The following description of the AZZ incorporated Employee Benefit Plan and Trust (the "Plan") provides only general information. The Plan is sponsored by AZZ incorporated (the "Company"). Participants should refer to the Plan Agreement or Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all full-time employees of the Company and its affiliates who have completed ninety days of service and attained 18 years of age. Eligibility for profit sharing begins after one year of service.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

For the period of March 1, 2009 through July 31, 2009 of fiscal year 2010 The Hartford was the trustee of the plan.

Effective August 1, 2009, the Company has adopted the Mass Mutual Defined Contribution Prototype Plan and Trust and appointed State Street Trust as trustee of the trust established under the Plan. Plan Assets were moved to Mass Mutual effective August 1, 2009.

Contributions

Participants may elect to contribute from 1% to 50% of their eligible compensation, subject to Internal Revenue Service ("IRS") limitations. The Company provides discretionary matching contributions equal to a percentage of participant contributions as determined annually by the Company's Board of Directors. Additionally, the Company may contribute discretionary profit sharing amounts to the Plan as determined each year by the Company's Board of Directors. To be eligible for profit sharing contributions, participants must be actively employed on the last day of the Plan year, must have completed 1,000 hours of service and completed one year of service.

Participants may elect to commence voluntary contributions or modify the amount of voluntary contributions made on the first day of each quarter within the Plan year.

Participants who are eligible to make salary deferral contributions under the Plan and who have attained age 50 before the close of the Plan year may make catch-up contributions in accordance with, and subject to the limitations imposed by the Code.

Participant Accounts

A separate account is maintained for each participant and is credited with participant contributions, Company contributions, and actual earnings thereon as well as forfeitures of terminated participants' non-vested accounts.

AZZ incorporated Employee Benefit Plan and Trust

Notes to Financial Statements (continued)

Forfeited Accounts

Forfeited balances of terminated participants' non-vested accounts are reallocated among the remaining participants in the proportion that each participant's compensation for the year bears to the total compensation of all participants for the year.

Investment Options

Unless specifically electing not to defer, all employees are automatically enrolled in the plan in accordance with the terms and provisions of the Safe Harbor Amendment. Participants may direct contributions to their account in a variety of investment options, which vary in degree of risk, with the exception of AZZ incorporated common stock for which participants may only hold or sell existing shares. Participants may change their investment options at any time. Investments are held by Mass Mutual, the record keeper, funding agent, and a party-in-interest. Under a trust agreement with the Company, State Street Trust Company is a directed trustee. The Plan's assets are invested in accordance with directions provided by the Company.

Vesting

Participant contributions to the Plan plus actual earnings or losses thereon are fully vested at all times. The participant's share of matching contributions and profit sharing contributions and earnings and losses thereon which were contributed to the plan prior to March 1, 2008 vest in accordance with the following schedule:

Years of Service	Vesting Percentage	
Less than 1 year	0	%
1 year	20	%
2 years	40	%
3 years	60	%
4 years	80	%
5 years	100	%

Effective March 1, 2008, the participants of Qualified Automatic Contribution Agreement ("QACA") matching contributions and earnings and losses thereon vest in accordance with the Safe Harbor provisions and the following schedule:

Years of Service	Vesting Percentage	
Less than 2 years	0	%
2 years	100	%

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AZZ incorporated Employee Benefit Plan and Trust

Notes to Financial Statements (continued)

Profit sharing contributions continue to vest over the five year vesting schedule.

Participants will vest 100% upon attainment of age 65, or in the event of death or disability while employed by the Company.

Loans

Participants may borrow from their account a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Loan terms range from one to five years. The loans are secured by the balance in the participant's account and bear interest at prime. Interest rates for 2010 ranged from 3.25% to 9.25%. Principal and interest are paid ratably through payroll deductions.

Participant Withdrawals

On termination of service, if a participant's vested benefits are less than $1,000, the benefit is payable in a lump sum. If the vested benefit is greater than $1,000, the participant may elect to receive either a lump-sum amount or annual installments over a period not to exceed the life expectancy of the participant and the participant's beneficiary. Prior to termination of service, a participant may elect to receive all or any portion of their accrued benefit if the participant has participated in the Plan at least five years and is 100% vested.

B. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results may differ from these estimates.

Investment Valuation

The investments of the Plan are stated at fair value as of the end of the Plan year.

Purchases and sales of securities are recorded on the trade dates. Gains or losses on sales of securities are calculated using the average cost of the securities sold. Interest income is recorded on the accrual basis.

All investments and uninvested cash were held by Mass Mutual under a trust agreement. The Plan's investments are generally subject to market or credit risks customarily associated with debt and equity investments.

AZZ incorporated Employee Benefit Plan and Trust

Notes to Financial Statements (continued)

Contributions

Participant and employer contributions are accrued in the period in which they are deducted in accordance with salary deferral agreements and as they become obligations of the Company, as determined by the Plan's administrator.

Payment of Benefits

Benefits are recorded when paid.

Plan Expenses

Employees of the company perform certain administrative functions with no compensation from the Plan. The Company or the Plan pays administrative expenses of the Plan. Administrative expenses paid by the Plan are properly reflected in the accompanying statements of changes in net assets available for benefits.

Subsequent Events

The Plan evaluated all events or transactions that occurred after February 28, 2010 through the date these financial statements were available to be issued.

C. Investments

At February 28, 2010 and 2009, individual investments that represent 5% or more of net assets available for benefits are as follows:

		2010
MFS Value Fund	$	4,328,748
Premier Money Market Fund		4,086,438
American Funds Growth Fund of America		5,424,359
American Funds EuroPacific Growth Fund		4,723,994
PIMCO Total Return Fund		6,389,949

		2009
MFS Total Return Fund A	$	4,336,966
MFS Value Fund A		2,755,489
MFS Bond Fund A		4,214,734
American Funds Growth Fund of America R4		3,299,694
MFS Global Equity Fund A		2,605,208
MFS Money Market Fund		3,611,292

AZZ incorporated Employee Benefit Plan and Trust

Notes to Financial Statements (continued)

During the years ended February 28, 2010 and 2009, net realized and unrealized gains (losses) were comprised of the following:

	2010	2009
Mutual funds	$ 8,507,886	$ (10,438,217)
AZZ incorporated common stock	217,115	(292,603)
Net realized and unrealized gains/losses	$ 8,725,001	$ (10,730,820)

D. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy has been established that is used to identify assets and liabilities measured at fair value. The hierarchy focuses on the inputs used to measure fair value and requires that the lowest level input be used. The three levels are defined as follows:

- Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities as of the reporting date.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: Unobservable inputs that are not corroborated by market data.

A description of the methodologies used to measure the fair value of assets and liabilities follows. These methodologies were consistently applied to all assets carried as of February 28, 2010. The methodology used to measure each major category of assets and liabilities is as follows:

- Mutual funds: Valued based on quoted market prices of the underlying assets provided by the trustee and are classified within Level 1 of the valuation hierarchy.

- Common stock: Valued at the closing price reported on the active market on which the individual securities are traded and classified within Level 1 of the valuation hierarchy.

- Money market fund: Valued based on the short-term cash component as of the measurement date and classified within Level 1 of the valuation hierarchy.

- Participant loans: Valued at the outstanding principal balance, which approximates fair value and are classified within Level 3 of the valuation hierarchy.

AZZ incorporated Employee Benefit Plan and Trust

Notes to Financial Statements (continued)

	Fair Value Measurements at February 28, 2010 Using			
	Total Carrying Value as of February 28, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Funds	$ 18,186,451	$ 18,186,451	$ -	$
Target Date Funds	8,002,066	8,002,066		
Bond Funds	6,408,439	6,408,439		
Money Market Fund	4,149,319	4,149,319		
Participant Loans	1,417,489			1,417,489
Total Investment at Fair Value	$ 38,163,764	$ 36,746,275	$ -	$ 1,417,489

	Fair Value Measurements at February 28, 2009 Using			
	Total Carrying Value as of February 28, 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$ 18,501,130	$ 18,501,130		$ -
Common Stock	404,733	404,733		
Money Market Fund	3,611,292	3,611,292		
Participant Loans	916,326		916,326	
Total Investment at Fair Value	$ 24,433,481	$ 22,517,155	$ 916,326	$ -

Reconciliation of Fair Value Measurement using Significant Unobservable Inputs (Level 3)

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	Participant Loans
Beginning Balance	$ 0
Transfers into Level 3	916,326
	501,163

Purchases, issuances and settlements		
Ending Balance	$	1,417,489

E. Forfeited Accounts

At February 28, 2010 and 2009, net assets available for benefits include approximately $456,472 and $231,000 respectively of unallocated forfeitures. Unallocated forfeiture amounts will be appropriately allocated during the 2011 Plan year.

AZZ incorporated Employee Benefit Plan and Trust

Notes to Financial Statements (continued)

F. Excess Contributions Payable

The Internal Revenue Code (the "Code") attempts to ensure that employees at all levels of income share the tax advantages of the Plan proportionally. A non-discrimination test is required by the Code to determine a contribution level that makes all participant contributions, as a percentage of compensation, fall within prescribed limits. Any amounts accrued as excess contributions payable to participants represent contributions exceeding the allowed limits and will be refunded to employees subsequent to the end of each Plan year.

G. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

H. Income Tax Status

In March 2005, the Plan received a determination letter from the IRS stating that the Plan as adopted is qualified under Section 401(a) of the Code, and, therefore, the related trust is exempt from taxation.

Effective March 1, 2008, the Plan was amended to become a safe-harbor Qualified Automatic Contribution Arrangement ("QACA"), pursuant to Section 401(k)(13) of the Code, as added by the Pension Protection Act of 2006. As required by section 401(k) of the Code, the Plan provides that employees may not receive a distribution of their employee deferral contributions while actively employed by AZZ, unless they have attained age 59½, or have experienced a financial hardship. Despite these restrictions, the Plan Administrator and Record-keeper inadvertently distributed elective deferral contributions and QACA matching contributions inconsistent with the withdrawal restrictions applicable to such contributions under Section 401(k)(13)(D)(iii)(II) of the Code to certain employees who requested in-service distributions from their Plan accounts.

The improper distributions occurred from October 2007 through June 2008 to 74 Plan participants, and the aggregate amount of all the improper distributions was $199,725. This error was operational failure and not a Plan document failure and, thus, is eligible for the self-correction program. In order to correct the distribution errors consistent with Revenue Procedure 2008-50, AZZ made a contribution to the Plan during fiscal year 2010 in an amount equal to the gross amount of the improper distributions, plus earnings at a rate of 6% which was placed in an unallocated suspense account and reported the distribution as taxable to the participants thereby making the Plan whole.

The Plan Administrator believes that with the correction of the operational issue in accordance with Internal Revenue Service guidance, the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

I. Plan Amendments

Effective March 1, 2008, the Plan was amended to become a safe-harbor Qualified Automatic Contribution Arrangement ("QACA"), pursuant to Section 401(k)(13) of the Code, as added by the Pension Protection Act of 2006.

AZZ incorporated Employee Benefit Plan and Trust
Form 5500, Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
February 28, 2010

Plan: 001

EIN: 75-0948250

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	Mass Mutual Premier	Holding Account	**	$ 38,280
*	Columbia Acorn Fund	Mid Cap Growth Fund	**	1,988,221
*	MFS Investment Management	Value Fund	**	4,328,748
*	MFS Investment Management	Bond Fund	**	18,489
*	T. Rowe Price	Income Fund	**	21,733
*	T. Rowe Price	Retirement 2005 Fund	**	139,502
*	T. Rowe Price	Retirement 2015 Fund	**	1,137,909
*	T. Rowe Price	Retirement 2025 Fund	**	1,531,563
*	T. Rowe Price	Retirement 2035 Fund	**	690,863
*	T. Rowe Price	Retirement 2010 Fund	**	955,583
*	Babson Capital	Premier Money Market Fund	**	4,086,438
*	T. Rowe Price	Retirement 2045 Fund	**	673,793
*	American Funds	Growth Fund of America	**	5,424,359
*	T. Rowe Price	Retirement 2055 Fund	**	41,547
*	American Funds	EuroPacific Growth Fund	**	4,723,994
*	T. Rowe Price		**	741,722

		Retirement 2020 Fund		
*	T. Rowe Price	Retirement 2050 Fund	**	442,604
*	T. Rowe Price	Retirement 2030 Fund	**	1,022,563
*	T. Rowe Price	Retirement 2040 Fund	**	624,416
*	MFS Investment Management	Total Return Fund	**	25,059
*	PIMCO	Total Return Fund	**	6,389,949
*	MassMutual Select	Indexed Equity Fund	**	1,176,364
*	AZZ incorporated	AZZ incorporated common stock	**	497,975
*	Outside Fund	Misc. Outside Fund component	**	24,601
	Participant Loans	Interest rates ranging from 3.25% to 9.25%	-0-	1,417,489
				$ 38,163,764

* Represents a party-in-interest to the Plan.

** Cost omitted for participant directed investments

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the persons who administer the AZZ incorporated Employee Benefit Plan & Trust (the "Plan") have duly caused this annual report for the Plan year ended February 28, 2010 to be signed on its behalf by the undersigned, thereunto duly authorized.

	AZZ incorporated Employee Benefit Plan & Trust
Date: August 27, 2010	By /s/ DAVID H. DINGUS David H. Dingus Administrative Committee Member
Date: August 27, 2010	By /s/ DANA L. PERRY Dana L. Perry Administrative Committee Member

EXHIBIT INDEX

Exhibit No.	Description
23.1	Consent of Independent Registered Public Accounting Firm Weaver and Tidwell LLP
23.2	Consent of Independent Registered Public Accounting Firm Whitley Penn LLP

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