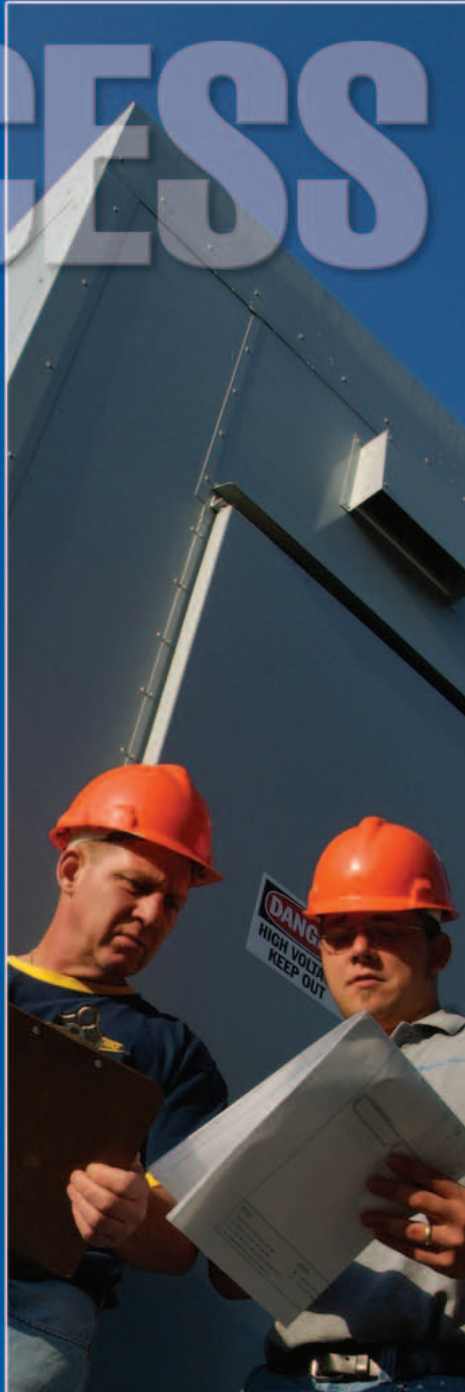


AZZ
incorporated

2007
ANNUAL
REPORT

BUILDING ON SUCCESS



BUILDING ON SUCCESS

Marking twenty consecutive profitable years, AZZ incorporated achieved record financial performance in fiscal 2007.

Today's achievements are the foundation for tomorrow's actions.

Developing targeted solutions.

Growing global markets.

Delivering world-class products and services.

Providing exceptional customer support.

Creating measurable value.

Leveraging our industry-leading expertise.

Time after time, project after project, customer after customer. At AZZ, we're building on success.

ELECTRICAL AND INDUSTRIAL PRODUCTS SEGMENT.

AZZ serves the power generation, transmission and distribution market, as well as the general industrial market, through its Electrical and Industrial Products Segment. These products are manufactured in multiple facilities across the United States.

For the electrical market, we configure, design, manufacture, test and install products that distribute electrical power between generators, transformers, switching devices, and other electrical equipment. Our products transmit electricity and provide protection for the distribution of power from the point of generation to the end-user.

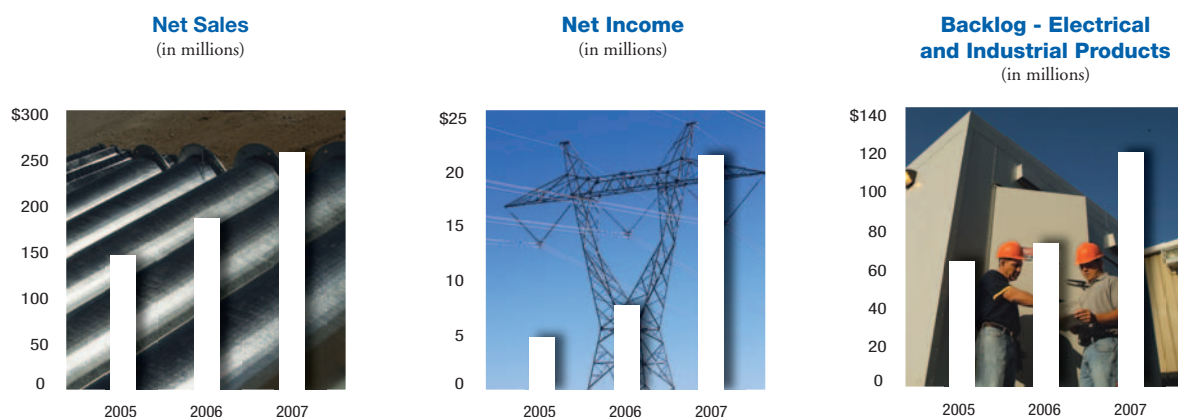
Our industrial products include industrial lighting, automation control, power distribution centers, and tubular products. These products serve the petrochemical, utility, and industrial markets.

GALVANIZING SERVICES SEGMENT.

Galvanizing is a process that applies molten zinc to metal components. The zinc bonding provides decades of corrosion protection that ensures low maintenance and durability in steel structures. AZZ has been a leading provider of corrosion protection services to the steel fabrication industry for four decades.

With 14 hot dip galvanizing plants strategically located across the United States from Phoenix to Cincinnati to Mobile Alabama, AZZ serves a wide range of customers, including fabricators and manufacturers in the electrical, telecommunications, transportation, petrochemical, agriculture, and industrial markets, as well as original equipment manufacturers.

SELECTED FINANCIAL INFORMATION

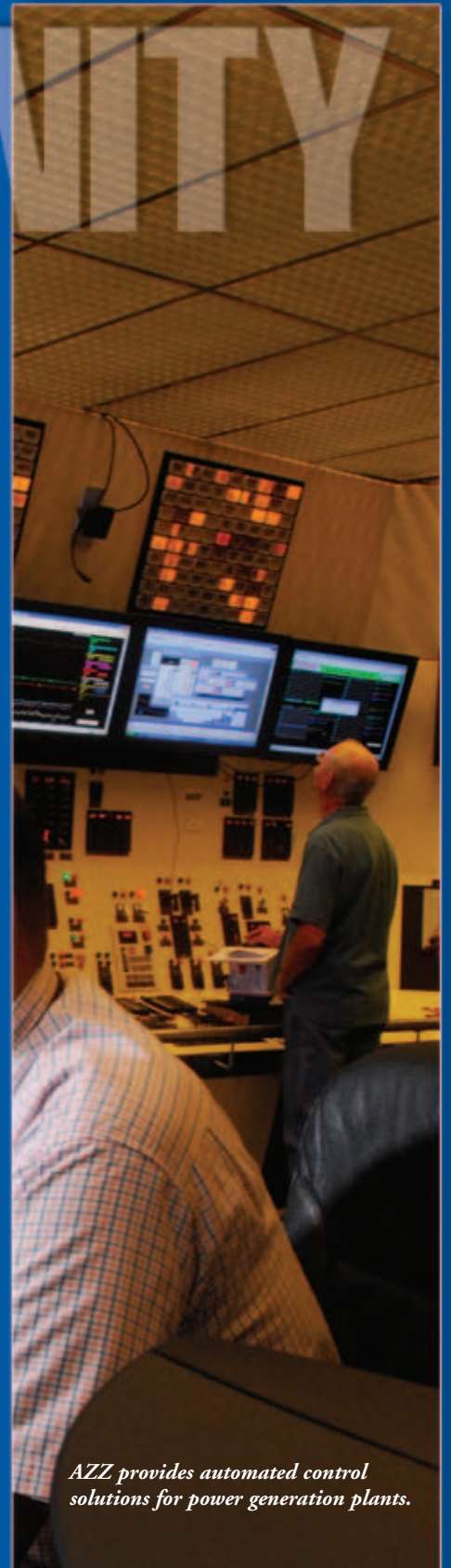


For the three years ended February 28	2005	2006	2007
Summary of operations:			
Net sales	\$ 152,428	\$ 187,184	\$ 260,344
Net income	4,812	7,827	21,604
Earnings per share:			
Basic earnings per common share ¹	\$.44	\$.70	\$ 1.86
Diluted earnings per common share ¹	.44	.69	1.82
Return on average shareholders' equity	6.7%	9.6%	21.8%
Pretax income to sales	4.9%	6.4%	13.3%
Net income to sales	3.2%	4.2%	8.3%
Total assets	\$ 128,635	\$ 140,026	\$ 200,908
Long-term debt, excluding current portion	23,875	14,375	35,200
Total liabilities	53,316	53,758	89,759
Shareholders' equity	75,319	87,269	111,148
Long-term debt-to-equity ratio	.32 to 1	.16 to 1	.32 to 1
Current ratio	1.94 to 1	1.79 to 1	2.25 to 1
Cash provided by operations	\$ 6,394	\$ 12,794	\$ 6,928
Capital expenditures	6,649	6,602	10,659
Backlog	\$ 64,769	\$ 73,763	\$ 120,666
Average shares outstanding ¹	10,888	11,168	11,599

(In thousands, except per share amounts, percentages and ratios)

¹ Adjusted to reflect a two-for-one stock split, effected in the form of a stock dividend on May 4, 2007

GENERATING OPPORTUNITY



AZZ provides automated control solutions for power generation plants.

By offering much more than products, AZZ is **GENERATING OPPORTUNITY** by establishing alliances with customers beyond a typical supplier relationship. We work with our customers to identify their needs, develop custom solutions, provide highly engineered products, manage construction and installation, and provide on-going support.

TO OUR SHAREHOLDERS, EMPLOYEES, AND CUSTOMERS:

We are tremendously pleased to report that fiscal 2007 was another record-setting year for AZZ incorporated. By continuing to focus on our proven strategies, executing our plans opportunistically, and capitalizing on improved market conditions, AZZ attained record levels of revenues, net income, fully diluted earnings per share, and backlog.

Fiscal 2007 marks not only our fiftieth year as a public company but also our twentieth consecutive year of profitability. AZZ has built upon this solid foundation of success to become a stronger, more capable, and more valuable company for our shareholders, employees, and customers.

Financial highlights

For the fiscal year ending February 28, 2007, AZZ generated revenues of \$260.3 million, a 39 percent increase compared to \$187.2 million for the prior year. Net income for the year increased 176 percent to \$21.6 million, or \$1.82 per diluted share, compared to \$7.8 million, or \$0.69 per diluted share for the previous year. Our earnings per share numbers are adjusted to reflect a two-for-one stock split effected in the form of a stock dividend on May 4, 2007.

Backlog increased 64 percent from \$73.8 million at the beginning of the fiscal year to \$120.7 million on February 28, 2007.

Electrical & Industrial Products

Revenues for our Electrical and Industrial Products Segment were \$150.3 million for fiscal 2007, increasing 21 percent from the prior year. Operating income rose 89 percent to \$21.3 million compared to \$11.4 million in fiscal 2006.

The record level of sales for the segment was driven by strong market demand that was balanced across our power generation, transmission and distribution, and industrial products. AZZ's strategic focus on expansion of served markets, particularly international, complemented the growth that resulted from strong economic demand.

AZZ began to strategically focus on international markets in 1999, and this initiative has resulted in a dramatic expansion of served markets, particularly China and the Middle East. International customers placed significant orders for our high voltage transmission products in fiscal 2007.

Galvanizing Services

Our Galvanizing Services Segment also produced outstanding results. For the fiscal year, revenues increased 74 percent to \$110.1 million. Operating income for the segment increased 152 percent, climbing to \$31.9 million from \$12.7 million in fiscal 2006.

Demand for our galvanizing services was strong across all of our served markets. In fiscal 2007, tons of steel processed increased 20 percent from the prior fiscal year.

We added additional service capabilities to this segment by the acquisition of Witt Galvanizing, a three-facility operation with locations in Ohio and Indiana, in fiscal 2007. This acquisition facilitated AZZ's move into another geographic area of the U.S. and provides for expansion. The acquisition was accretive to our fiscal results.

Continual Improvement

As part of our ongoing commitment to deliver greater value to our customers and to our shareholders, AZZ continually finds ways to further improve our operations. In fiscal 2007, we continued to focus on operational management, carefully honing each process to optimize productivity and efficiency. Through the effective utilization of our facilities, leveraging a significantly broadened sales base, and adhering to the approach of selectively accepting only business that met our margin contribution criteria, AZZ further improved return on assets for both of our operating segments.

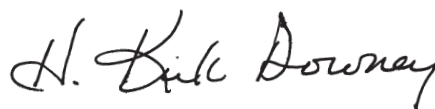
Building on Success

In fiscal 2007, AZZ delivered unprecedented results—generating more sales to long-time customers, branching into additional industries, expanding into new markets, and setting records in virtually every category of financial performance.

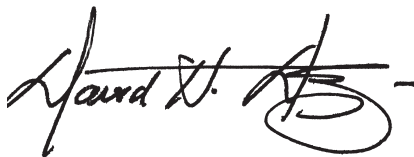
Our business strategies and operating plans have proven effective. We believe that AZZ is well positioned to continue to take advantage of favorable market conditions, expansion of served markets and complementary acquisitions, which are all critical to our continued growth and expansion.

To the dedicated and skilled employees who make AZZ a uniquely capable organization, the customers and partners who put our products to work around the world, and the stockholders who share our vision and values, we thank you for your valuable contributions and your continued support.

Sincerely,

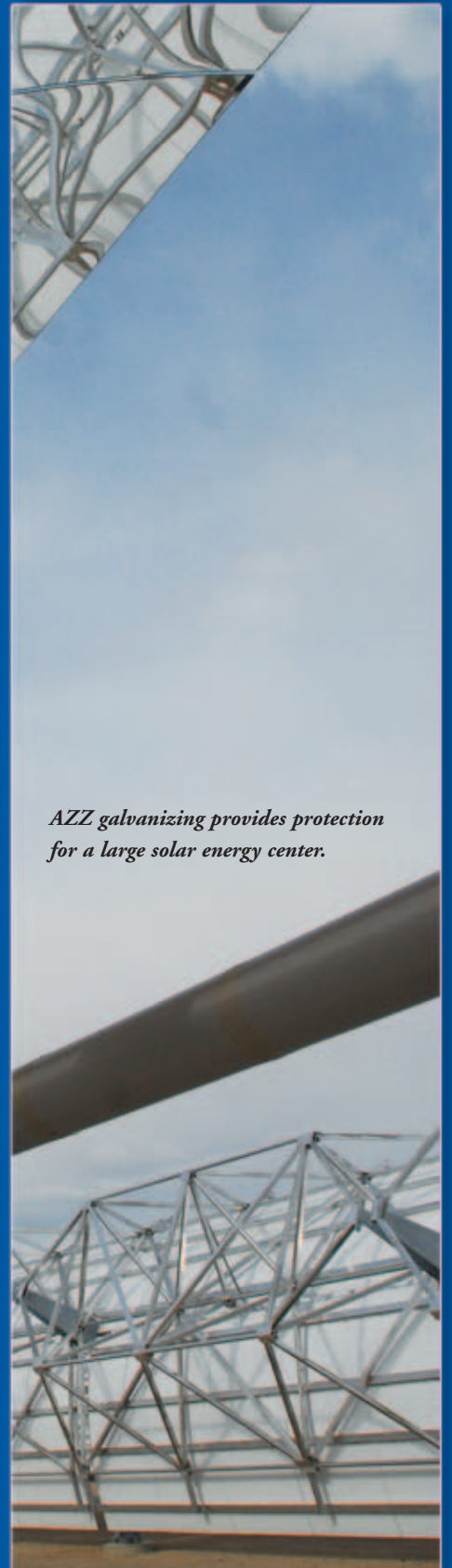


Dr. H. Kirk Downey
Chairman of the Board



David H. Dingus
*President and
Chief Executive Officer*

DELIVERING RESULTS



*AZZ galvanizing provides protection
for a large solar energy center.*

ELECTRICAL AND INDUSTRIAL PRODUCTS SEGMENT

(In thousands, except percentages)

	2005	2006	2007
Sales	\$ 100,542	\$ 123,736	\$ 150,250
Operating Income	\$ 7,282	\$ 11,357	\$ 21,301
Operating Margin	7%	9%	14%
Average Assets Employed	\$ 76,743	\$ 81,845	\$ 98,544
Return on Average Assets	10%	14%	22%



GALVANIZING SERVICES SEGMENT

(In thousands, except percentages)

	2005	2006	2007
Sales	\$ 51,886	\$ 63,448	\$ 110,094
Operating Income	\$ 9,556	\$ 12,676	\$ 31,945
Operating Margin	18%	20%	29%
Average Assets Employed	\$ 43,632	\$ 47,601	\$ 65,618
Return on Average Assets	22%	27%	49%

FORM 10-K REPORT STARTS HERE

FORM 10-K REPORT ENDS HERE

BOARD OF DIRECTORS

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MARTIN C. BOWEN

Vice President and Chief Financial Officer of Fine Line

DAVID H. DINGUS

President and Chief Executive Officer of the Company

DR. H. KIRK DOWNEY

Chairman of the Board of the Company

PETER A. HEGEDUS

Member of the Supervisory Board of ABB Hungary

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President and CEO of Cash America International, Inc.

ROBERT H. JOHNSON

CPA and Financial Consultant

KEVERN R. JOYCE

Consultant

DANA L. PERRY

Senior Vice President of Finance, Chief Financial Officer,
and Secretary of the Company

SAM ROSEN

Partner in the Law Firm of
Shannon, Gracey, Ratliff & Miller, L.L.P.

R. J. SCHUMACHER

Chairman of Texland Petroleum, Inc.

EXECUTIVE OFFICERS

DAVID H. DINGUS

President and Chief Executive Officer

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Senior Vice President of Finance, Chief Financial Officer,
and Secretary of the Company

FRED L. WRIGHT, JR.

Senior Vice President, Galvanizing Services

JOHN V. PETRO

Senior Vice President, Electrical and Industrial Products

CLEMENT H. WATSON

Vice President of Sales and Marketing, Electrical Products

JIM C. STRICKLEN

Vice President, Business and Manufacturing Systems

TIM E. PENDLEY

Vice President of Operations, Galvanizing Services

RICHARD W. BUTLER

Vice President and Corporate Controller

ROBERT D. RUFFIN

Vice President, Human Resources

OTHER INFORMATION

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Fort Worth, Texas

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ANNUAL MEETING

July 10, 2007, 10:00 a.m.

City Club, D. R. Horton Tower

301 Commerce

Fort Worth, Texas





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