PEARSON PLC
Form 6-K
February 07, 2017

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

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of February 2017

PEARSON plc
(Exact name of registrant as specified in its charter)

N/A

(Translation of registrant's name into English)

80 Strand
London, England WC2R 0RL
44-20-7010-2000
(Address of principal executive office)

Indicate by check mark whether the Registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F X　　　　Form 40-F

Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes　　　　No X

TR-1: NOTIFICATION OF MAJOR INTEREST IN SHARESi

1. Identity of the issuer or the underlying issuerof existing shares to which voting rights areattached: ii	Pearson PLC

2 Reason for the notification (please tick the appropriate box or boxes):

An acquisition or disposal of voting rights		X
An acquisition or disposal of qualifying financial instruments which may result in the acquisition of shares already issued to which voting rights are attached		
An acquisition or disposal of instruments with similar economic effect to qualifying financial instruments		
An event changing the breakdown of voting rights		
Other (please specify):	Type 1 disclosure as per the Transparency Directive II Regulation	X

3. Full name of person(s) subject to thenotification obligation: iii	Schroders plc
4. Full name of shareholder(s) (if different from 3.):iv	
5. Date of the transaction and date onwhich the threshold is crossed orreached:	03.02.17

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6. Date on which issuer notified:	06.02.17
7. Threshold(s) that is/are crossed orreached: vi, vii	From 10%-11%

8. Notified details:

A: Voting rights attached to shares viii, ix

Class/type ofshares if possible usingthe ISIN CODE	Situation previousto the triggeringtransaction		Resulting situation after the triggering transaction				
	NumberofShares	NumberofVotingRights	Number of shares	Number of votingrights		% of voting rights x	
			Direct	Direct xi	Indirect xii	Direct	Indirect
GB0006776081	84,514,044	83,588,488	92,846,468	N/A	91,897,898	N/A	10.72%

B: Qualifying Financial Instruments

Resulting situation after the triggering transaction

Type of financialinstrument	Expirationdate xiii	Exercise/Conversion Period xiv	Number of votingrights that may beacquired if theinstrument isexercised/ converted.	% of votingrights
N/A	N/A	N/A	N/A	N/A

C: Financial Instruments with similar economic effect to Qualifying Financial Instruments xv, xvi

Resulting situation after the triggering transaction

Type of financialinstrument	Exercise price	Expiration date xvii	Exercise/Conversion period xviii	Number of voting rights instrument	% of voting rights xix, xx

				refers to	
					Nominal Delta
N/A	N/A	N/A	N/A	N/A	N/A N/A

Total (A+B+C)	
Number of voting rights	Percentage of voting rights
91,897,898	11.172%

9. Chain of controlled undertakings through which the voting rights and/or thefinancial instruments are effectively held, if applicable:xxi

Schroder & Co. Limited 2,867,238 0.349%
Schroders (C.I.) Limited 123,958 0.015%
Schroder Investment Management Limited 88,906,702 10.808%

Proxy Voting:

10. Name of the proxy holder:

11. Number of voting rights proxy holder will cease to hold:

12. Date on which proxy holder will cease to hold voting rights:

13. Additional information:	The shares referred to in section 9 are held in portfolios managed by those firms on a discretionary basis for clients under investment management agreements. This disclosure has been calculated based on issue share capital amount 822,583,860.
14. Contact name:	Shaheen Hussain
15. Contact telephone number:	+44 207 658 6000

Natalie Dale
Deputy Company Secretary
Pearson plc
7 February 2017

SIGNATURE

Pursuant to the requirements 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.

PEARSON plc

Date: 07 February 2017

By: /s/ NATALIE DALE

Natalie Dale

Deputy Company Secretary

160;- (53,180)

Balances at July 25, 2009	38,998,513	12,999	172,112	69	205,443
Stock options exercised	4,841	2	31	-	-
Tax deficit from stock option and restricted stock plans	-	-	(603)	-	-
Stock-based compensation expense	-	-	3,316	-	-
Restricted stock repurchased for tax withholdings	(31,749)	(11)	(263)	-	-
Issuance of restricted stock, net of cancellations	160,187	54	(54)	-	-
Repurchase of common stock	(475,602)	(159)	(4,330)	-	-
Other comprehensive income	-	-	-	100	-
Net income	-	-	-	-	5,849
Balances at July 31, 2010	38,656,190	$12,885	$170,209	$169	$211,292

See notes to the consolidated financial statements.

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2010, JULY 25, 2009, AND JULY 26, 2008

	2010	2009	2008
	(Dollars in thousands)		
OPERATING ACTIVITIES:			
Net income (loss)	$ 5,849	$ (53,180)	$ 21,678
Adjustments to reconcile net income (loss) to net cash inflow from operating activities:			
Depreciation and amortization	63,607	65,435	67,288
Bad debt expense (recovery), net	198	317	(43)
Gain on sale of fixed assets	(7,677)	(3,942)	(6,724)
Gain on extinguishment of debt, net	-	(3,027)	-
Write-off of deferred financing costs	-	551	-
Deferred income tax provision (benefit)	1,921	(5,693)	(2,342)
Stock-based compensation	3,351	3,897	5,156
Amortization of debt issuance costs	1,114	958	820
Goodwill impairment charge	-	94,429	9,672
Excess tax benefit from share-based awards	(69)	-	(479)
Other	52	26	120
Change in operating assets and liabilities:			
Accounts receivable, net	4,617	29,478	482
Costs and estimated earnings in excess of billings, net	776	26,827	893
Other current assets and inventory	(6,348)	658	(752)
Other assets	(1,004)	1,099	824
Income taxes receivable	3,294	(1,002)	-
Income taxes payable	-	-	(2,988)
Accounts payable	(1,557)	(2,995)	2,152
Accrued liabilities and insurance claims	(13,986)	(27,200)	8,532
Net cash provided by operating activities	54,138	126,636	104,289
INVESTING ACTIVITIES:			
Changes in restricted cash	-	(60)	(290)
Capital expenditures	(55,376)	(30,529)	(72,071)
Proceeds from sale of assets	8,768	5,203	9,740
Proceeds from acquisition indemnification claims	-	-	522
Net cash used in investing activities	(46,608)	(25,386)	(62,099)
FINANCING ACTIVITIES:			
Proceeds from long-term debt	-	30,000	30,000
Principal payments on long-term debt	(1,023)	(32,337)	(43,496)
Purchase of senior subordinated notes	-	(11,292)	-
Debt issuance costs	(3,233)	(1,837)	-
Repurchases of common stock	(4,489)	(2,915)	(25,159)
Restricted stock tax withholdings	(274)	(247)	(2,147)
Exercise of stock options and other	33	17	1,339
Excess tax benefit from share-based awards	69	-	479

Net cash used in financing activities	(8,917)	(18,611)	(38,984)
Net (decrease) increase in cash and equivalents	(1,387)	82,639	3,206
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	104,707	22,068	18,862
CASH AND EQUIVALENTS AT END OF PERIOD	$ 103,320	$ 104,707	$ 22,068
SUPPLEMENTAL DISCLOSURE OF OTHER CASH FLOW ACTIVITIES AND NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Cash paid during the period for:			
Interest	$ 13,131	$ 14,562	$ 12,641
Income taxes	$ 6,208	$ 6,896	$ 18,698
Purchases of capital assets included in accounts payable or other accrued liabilities at period end	$ 885	$ 4,060	$ 1,919

See notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Policies

Basis of Presentation – Dycom Industries, Inc. (“Dycom” or the “Company”) is a leading provider of specialty contracting services. These services are provided throughout the United States and include engineering, construction, maintenance and installation services to telecommunications providers, underground facility locating services to various utilities including telecommunications providers, and other construction and maintenance services to electric and gas utilities and others. Additionally, Dycom provides services on a limited basis in Canada.

The consolidated financial statements include the results of Dycom and its subsidiaries, all of which are wholly-owned. All intercompany accounts and transactions have been eliminated and the financial statements reflect all adjustments, consisting of only normal recurring accruals which are, in the opinion of management, necessary for a fair presentation of such statements. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”).

Accounting Period – The Company uses a fiscal year ending on the last Saturday in July. Fiscal 2008 and 2009 consisted of 52 weeks and fiscal 2010 consisted of 53 weeks, with the fourth quarter having 14 weeks of operations.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. For the Company, key estimates include: recognition of revenue for costs and estimated earnings in excess of billings, the fair value of goodwill, the assessment of impairment of intangibles and other long-lived assets, income taxes, accrued insurance claims, asset lives used in computing depreciation and amortization, allowance for doubtful accounts, stock-based compensation expense for performance-based stock awards, and accruals for contingencies, including legal matters. At the time they are made, the Company believes that such estimates are fair when considered in conjunction with the consolidated financial position and results of operations taken as a whole. However, actual results could differ from those estimates and such differences may be material to the financial statements.

Revenue Recognition — The Company recognizes revenues under the percentage of completion method of accounting using the units-of-delivery or cost-to-cost measures. A significant majority of the Company’s contracts are based on units-of-delivery and revenue is recognized as each unit is completed. Revenues from contracts using the cost-to-cost measures of completion are recognized based on the ratio of contract costs incurred to date to total estimated contract costs. Revenues from services provided under time and materials based contracts are recognized when the services are performed. The current asset “Costs and estimated earnings in excess of billings” represents revenues recognized in excess of amounts billed. The current liability “Billings in excess of costs and estimated earnings” represents billings in excess of revenues recognized.

Application of the percentage of completion method of accounting requires the use of estimates of costs to be incurred for the performance of the contract. This estimation process is based upon the knowledge and experience of the Company’s project managers and financial personnel. Factors that the Company considers in estimating the work to be completed and ultimate contract recovery include the availability and productivity of labor, the nature and complexity of the work to be performed, the effect of change orders, the availability of materials, the effect of any delays in performance and the recoverability of any claims. Changes in job performance, job conditions, estimated profitability and final contract settlements may result in revisions to costs and income and their effects are recognized in the period in which the revisions are determined. At the time a loss on a contract becomes known, the amount of the

estimated loss expected to be incurred is accrued.

Allowance for Doubtful Accounts — The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Estimates of uncollectible amounts are reviewed each period, and changes are recorded in the period they become known. Management analyzes the collectability of accounts receivable balances each period. This review considers the aging of account balances, historical bad debt experience, changes in customer creditworthiness, current economic trends, customer payment activity and other relevant factors. Should any of these factors change, the estimate made by management may also change, which could affect the level of the Company's provision for doubtful accounts.

Cash and Equivalents — Cash and equivalents primarily include balances on deposit in banks. The Company maintains substantially all of its cash and equivalents at financial institutions it believes to be of high credit quality. To date, the Company has not experienced any loss or lack of access to cash in its operating accounts.

Restricted Cash — As of July 31, 2010 and July 25, 2009, the Company had approximately $4.9 million in restricted cash, which is held as collateral in support of the Company's insurance obligations. Restricted cash is included in other current assets and other assets in the consolidated balance sheets and changes in restricted cash are reported in cash flows used in investing activities in the consolidated statements of cash flows.

Inventories — Inventories consist primarily of materials and supplies used in the Company's business and are carried at the lower of cost (first-in, first out) or market (net realizable value).

Property and Equipment — Property and equipment are stated at cost and depreciated on a straight-line basis over their estimated useful lives. Useful lives range from: buildings — 15-35 years; leasehold improvements — the term of the respective lease or the estimated useful life of the improvements, whichever is shorter; new vehicles — 3- 7 years; used vehicles — 1-7 years; new equipment and machinery — 2-10 years; used equipment and machinery — 1-10 years; and furniture, fixtures, computer equipment and capitalized software — 1-10 years. Amortization of capital lease assets is included in depreciation expense. Maintenance and repairs are expensed as incurred and major improvements are capitalized. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is included in other income. Capitalized software is accounted for in accordance with Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") Topic 350-40, Internal Use Software. Capitalized software consists primarily of costs to purchase and develop internal-use software and is generally amortized over a three year period as a component of depreciation expense.

Goodwill and Intangible Assets — The Company accounts for goodwill in accordance with ASC Topic 350, Goodwill and Other Intangible Assets ("ASC Topic 350"). The Company's reporting units and related indefinite-lived intangible assets are tested annually during the fourth fiscal quarter of each year in accordance with ASC Topic 350 in order to determine whether their carrying value exceeds their fair value. In addition, they are tested on an interim basis if an event occurs or circumstances change between annual tests that would more likely than not reduce their fair value below carrying value. If the Company determines the fair value of goodwill or other indefinite-lived intangible assets is less than their carrying value as a result of the tests, an impairment loss is recognized. Impairment losses, if any, are reflected in operating income or loss in the consolidated statements of operations during the period incurred.

In accordance with ASC Topic 360, Impairment or Disposal of Long-Lived Assets, the Company reviews finite-lived intangible assets for impairment whenever an event occurs or circumstances change which indicates that the carrying amount of such assets may not be fully recoverable. Recoverability is determined based on an estimate of undiscounted future cash flows resulting from the use of an asset and its eventual disposition. An impairment loss is measured by comparing the fair value of the asset to its carrying value. If the Company determines the fair value of an asset is less than the carrying value, an impairment loss is incurred. Impairment losses, if any, are reflected in operating income or loss in the consolidated statements of operations during the period incurred.

The Company uses judgment in assessing if goodwill and intangible assets are impaired. Estimates of fair value are based on the Company's projection of revenues, operating costs, and cash flows taking into consideration historical and anticipated future results, general economic and market conditions, as well as the impact of planned business or operational strategies. To measure fair value, the Company employs a combination of present value techniques which reflect market factors. Changes in the Company's judgments and projections could result in significantly different estimates of fair value potentially resulting in additional impairments of goodwill and other intangible assets. See Note 7 for further discussion regarding the Company's goodwill and intangible assets.

Long-Lived Tangible Assets — The Company reviews long-lived tangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of an asset group

and its eventual disposition. Measurement of an impairment loss is based on the fair value of the asset compared to its carrying value. Long-lived tangible assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Accrued Insurance Claims — The Company retains the risk of loss, up to certain limits, for claims related to automobile liability, general liability, workers' compensation, employee group health, and locate damages. Locate damage claims result from property and other damages arising in connection with the Company's underground facility locating services. A liability for unpaid claims and the associated claim expenses, including incurred but not reported losses, is actuarially determined and reflected in the consolidated financial statements as accrued insurance claims. The liability for accrued claims and related accrued processing costs was $52.9 million and $57.1 million at July 31, 2010 and July 25, 2009, respectively, and included incurred but not reported losses of approximately $26.3 million and $28.2 million, respectively. Based on payment patterns of similar prior claims, the Company expects $28.1 million of the amount accrued at July 31, 2010 to be paid within the next 12 months.

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The Company estimates the liability for claims based on facts, circumstances and historical evidence. When loss reserves are recorded they are not discounted, even though they will not be paid until sometime in the future. Factors affecting the determination of the expected cost for existing claims and incurred but not reported claims include, but are not limited to, the frequency of future claims, the payment pattern of claims which have been incurred, changes in the medical condition of claimants, and other factors such as inflation, tort reform or other legislative changes, unfavorable jury decisions and court interpretations.

Income Taxes — The Company accounts for income taxes under the asset and liability method. This approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. In June 2006, the FASB issued ASC Topic 740, Income Taxes ("ASC Topic 740") (formerly FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109), which prescribes a two-step process for the financial statement recognition and measurement of income tax positions taken or expected to be taken in an income tax return. The first step evaluates an income tax position in order to determine whether it is more likely than not that the position will be sustained upon examination, based on the technical merits of the position. The second step measures the benefit to be recognized in the financial statements for those income tax positions that meet the more likely than not recognition threshold. ASC Topic 740 also provides guidance on derecognition, classification, recognition and classification of interest and penalties, accounting in interim periods, disclosure and transition. In May 2007, the FASB issued an amendment of ASC Topic 740 to provide guidance that a Company may recognize a previously unrecognized tax benefit if the tax position is effectively (as opposed to "ultimately") settled through examination, negotiation, or litigation. The Company adopted the provisions of ASC Topic 740 on July 29, 2007, the first day of fiscal 2008.

Per Share Data — Basic earnings (loss) per common share is computed based on the weighted average number of shares outstanding during the period, excluding unvested restricted share units. Diluted earnings per common share includes the weighted average common shares outstanding for the period plus dilutive potential common shares, including unvested time vesting and certain performance vesting restricted share units. Performance vesting restricted share units are only included in diluted earnings (loss) per common share calculations for the period if all the necessary performance conditions are satisfied and their impact is not anti-dilutive. Common stock equivalents related to stock options are excluded from diluted earnings (loss) per common share calculations if their effect would be anti-dilutive. ASC Topic 260, Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities ("ASC Topic 260"), addresses whether unvested share-based payment awards with rights to receive dividends or dividend equivalents should be considered as participating securities for the purposes of applying the two-class method of calculating earnings (loss) per share. Unvested share-based payment awards that contain rights to receive non-forfeitable dividends or dividend equivalents are participating securities, and thus, should be included in the two-class method of computing earnings (loss) per share. The Company adopted this standard in the first quarter of fiscal 2010 and the adoption did not change the Company's earnings (loss) per share calculation for any prior period presented.

Stock-Based Compensation — The Company's stock-based award programs are intended to attract, retain and reward talented employees, officers and directors, and to align stockholder and employee interests. The Company grants stock options, time-based and performance-based restricted share units to certain employees and officers. The fair value of stock option grants is estimated on the date of grant using the Black-Scholes option pricing model based on certain assumptions. The fair value of restricted share units is estimated on the date of grant and is generally equal to the closing stock price on the date of grant. Time vesting restricted share units vest ratably over a period of four years and are settled in one share of the Company's common stock on the vesting date. Performance vesting restricted share units vest over a three year period from the date of grant, if certain performance goals are achieved. In accordance with ASC Topic 718, Compensation – Stock Compensation, compensation costs for performance-based awards are

recognized by the Company over the requisite service period if it is probable that the performance goal will be satisfied. The Company uses its best judgment to determine probability of achieving the performance goals at each reporting period and recognizes compensation costs based on the estimate of the shares that are expected to vest.

Comprehensive Income (Loss) – During fiscal 2010, 2009 and 2008, the Company did not have any material changes in its equity resulting from non-owner sources. Accordingly, comprehensive income (loss) approximated the net income (loss) amounts presented for the respective period's operations.

Fair Value of Financial Instruments — ASC Topic 820, Fair Value Measurements and Disclosures ("ASC Topic 820"), defines fair value, establishes a measurement framework and expands disclosure requirements. The Company adopted ASC Topic 820 for financial assets and liabilities on the first day of fiscal 2009 and adopted non-recurring measurements for non-financial assets and liabilities on the first day of fiscal 2010. The adoption of ASC Topic 820 did not have an impact on the Company's consolidated financial statements. ASC Topic 820 requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories: (1) Level 1 - Quoted market prices in active markets for identical assets or liabilities; (2) Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data; and (3) Level 3 - Unobservable inputs not corroborated by market data which require the reporting entity's own assumptions. The Company's financial instruments consist primarily of cash and equivalents, restricted cash, accounts receivable, income taxes receivable and payable, accounts payable and accrued expenses, and long-term debt. The carrying amounts of these instruments approximate their fair value due to the short maturity of these items, except for the Company's 8.125% senior subordinated notes due October 2015 (the "Notes"). The Company determined the fair value of the Notes at July 31, 2010 was $134.3 million based on quoted market prices, which reflect Level 1 inputs, compared to a carrying value of $135.35 million.

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Taxes Collected from Customers – ASC Topic 605, Taxes Collected from Customers and Remitted to Governmental Authorities, addresses the income statement presentation of any tax collected from customers and remitted to a government authority and provides that the presentation of taxes on either a gross basis or a net basis in an accounting policy decision that should be disclosed. The Company's policy is to present contract revenues net of sales taxes.

Segment Information — The Company operates in one reportable segment as a specialty contractor, providing engineering, construction, maintenance and installation services to telecommunications providers, underground facility locating services to various utilities including telecommunications providers, and other construction and maintenance services to electric and gas utilities and others. All of the Company's operating segments have been aggregated into one reporting segment due to their similar economic characteristics, products and production methods, and distribution methods. The Company's services are provided by its various subsidiaries throughout the United States and, on a limited basis, in Canada. One of the Company's operating segments earned revenues from contracts in Canada of approximately $6.3 million, $3.9 million and $3.5 million during fiscal 2010, 2009 and 2008, respectively. The Company had no material long-lived assets in the Canadian operations at July 31, 2010 or July 25, 2009.

Recently Issued Accounting Pronouncements

ASC Topic 860, Accounting for Transfers of Financial Assets ("ASC Topic 860"), eliminates the concept of a qualifying special-purpose entity, creates more stringent conditions for reporting a transfer of a portion of a financial asset as a sale, clarifies other sale-accounting criteria, and changes the initial measurement of a transferor's interest in transferred financial assets. This pronouncement is effective for the Company in fiscal 2011. The adoption of ASC Topic 860 is not expected to have a material effect on the Company's consolidated financial statements.

ASC Topic 810, Amendments to FASB Interpretation: Consolidation of Variable Interest Entities ("ASC Topic 810"), requires an analysis to determine whether a variable interest gives an enterprise a controlling financial interest in a variable interest entity. This pronouncement requires an ongoing reassessment of whether an enterprise is the primary beneficiary of a variable interest entity. This pronouncement is effective for the Company in fiscal 2011. The adoption of ASC Topic 810 is not expected to have a material effect on the Company's consolidated financial statements.

ASC Topic 855, Subsequent Events ("ASC Topic 855"), establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before the date the financial statements are issued or available to be issued. ASC Topic 855 requires companies to reflect in their financial statements the effects of subsequent events that provide additional evidence about conditions at the balance sheet date. In February 2010, the FASB issued Accounting Standards Update No. 2010-09 – Subsequent Events (Topic 855) — Amendments to Certain Recognition and Disclosure Requirements ("ASU 2010-09"). ASU 2010-09 provides amendments which clarify that SEC filers are not required to disclose the date through which subsequent events have been evaluated. The adoption of this guidance had no impact on the Company's consolidated financial statements.

In April 2010, the FASB issued Accounting Standards Update No. 2010-12, Income Taxes (Topic 740) – Accounting for Certain Tax Effects of the 2010 Health Care Reform Acts ("ASU 2010-12"). ASU 2010-12 addresses changes in accounting for income taxes resulting from the recently issued Health Care and Education Reconciliation Act of 2010 and the Patient Protection and Affordable Care Act. The adoption of this guidance is not expected to have a material effect on the Company's consolidated financial statements.

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2. Discontinued Operations

During fiscal 2007, a wholly-owned subsidiary of the Company, Apex Digital, LLC ("Apex") notified its primary customer of its intention to cease performing installation services in accordance with its contractual rights. Effective December 2006, this customer, a satellite broadcast provider, transitioned its installation service requirements to others and Apex ceased providing these services. As a result, the Company discontinued the operations of Apex. The results of Apex were not material in fiscal 2009 or 2010.

The summary comparative financial results of the discontinued operations were as follows:

	Fiscal Year Ended		
	2010	2009	2008
	(Dollars in thousands)		
Contract revenues of discontinued operations	$-	$-	$-
Loss of discontinued operations before income taxes	$-	$(144)	$(4,524)
Loss of discontinued operations, net of tax	$-	$(86)	$(2,726)

During fiscal 2008, Apex incurred charges of $1.2 million in discontinued operations for the settlement of a legal matter.

3. Computation of Earnings (Loss) Per Common Share

The following is a reconciliation of the numerator and denominator of the basic and diluted earnings (loss) per common share computation as required by ASC Topic 260.

	Fiscal Year Ended		
	2010	2009	2008
	(Dollars in thousands, except per share amounts)		
Numerator:			
Income (loss) from continuing operations	$5,849	$(53,094)	$24,404
Loss from discontinued operations, net of tax	-	(86)	(2,726)
Net income (loss)	$5,849	$(53,180)	$21,678
Denominator:			
Basic			
Weighted-average number of common shares - Basic	38,931,029	39,254,813	40,417,945
Diluted			
Weighted-average number of common shares - Basic	38,931,029	39,254,813	40,417,945
Potential common stock arising from stock options, and unvested restricted share units	65,837	-	183,794
Weighted-average number of common shares - Diluted	38,996,866	39,254,813	40,601,739
Antidilutive weighted shares excluded from the calculation of earnings (loss) per common share	2,647,975	3,305,164	2,039,444

EARNINGS (LOSS) PER COMMON SHARE - BASIC:			
Income (loss) from continuing operations	$0.15	$(1.35)	$0.60
Loss from discontinued operations, net of tax	-	-	(0.07)
Net income (loss)	$0.15	$(1.35)	$0.54
EARNINGS (LOSS) PER COMMON SHARE - DILUTED:			
Income (loss) from continuing operations	$0.15	$(1.35)	$0.60
Loss from discontinued operations, net of tax	-	-	(0.07)
Net income (loss)	$0.15	$(1.35)	$0.53

Per share amounts may not add due to rounding.

For fiscal 2009, all common stock equivalents related to stock options and unvested restricted share units were excluded from the diluted loss per share calculation as their effect would have been anti-dilutive due to the Company’s net loss for the period.

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4. Accounts Receivable

Accounts receivable consists of the following:

	2010	2009
	(Dollars in thousands)	
Contract billings	$109,537	$113,275
Retainage and other receivables	1,139	4,501
Total	110,676	117,776
Less: allowance for doubtful accounts	559	808
Accounts receivable, net	$110,117	$116,968

The allowance for doubtful accounts changed as follows:

	Fiscal Year Ended	
	July 31, 2010	July 25, 2009
	(Dollars in thousands)	
Allowance for doubtful accounts at beginning of period	$808	$769
Bad debt expense, net	198	317
Amounts charged against the allowance	(447)	(278)
Allowance for doubtful accounts at end of period	$559	$808

As of July 31, 2010, the Company expected to collect all retainage balances above within the next twelve months.

5. Costs and Estimated Earnings on Contracts in Excess of Billings

Costs and estimated earnings in excess of billings, net, consists of the following:

	2010	2009
	(Dollars in thousands)	
Costs incurred on contracts in progress	$ 52,601	$ 53,823
Estimated to date earnings	13,958	13,288
Total costs and estimated earnings	66,559	67,111
Less: billings to date	376	151
	$ 66,183	$ 66,960
Included in the accompanying consolidated balance sheets under the captions:		
Costs and estimated earnings in excess of billings	$ 66,559	$ 67,111
Billings in excess of costs and estimated earnings	(376)	(151)
	$ 66,183	$ 66,960

The above amounts include revenue for services from contracts based both on the units-of-delivery and the cost-to-cost measures of the percentage of completion method.

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6. Property and Equipment

Property and equipment, including amounts for assets subject to capital leases, consists of the following:

	2010	2009
	(Dollars in thousands)	
Land	$3,165	$2,974
Buildings	11,630	9,875
Leasehold improvements	4,540	4,361
Vehicles	203,420	199,372
Computer hardware and software	52,506	42,323
Office furniture and equipment	5,397	5,030
Equipment and machinery	119,285	123,709
Total	399,943	387,644
Less: accumulated depreciation	263,915	245,512
Property and equipment, net	$136,028	$142,132

Depreciation expense and repairs and maintenance, including amounts for assets subject to capital leases, were as follows:

	Fiscal Year Ended		
	2010	2009	2008
	(Dollars in thousands)		
Depreciation expense	$57,177	$58,630	$60,010
Repairs and maintenance expense	$14,634	$15,924	$19,966

7. Goodwill and Intangible Assets

Changes in the carrying amount of goodwill for the fiscal years ended July 25, 2009 and July 31, 2010 are as follows (dollars in thousands):

	As of July 26, 2008	Fiscal 2009 Changes: Impairment Losses	Fiscal 2009 Changes: Other (*)	As of July 25, 2009	As of July 31, 2010
Goodwill	$ 353,711	$ -	$ (93)	$ 353,618	$ 353,618
Accumulated impairment losses	(101,338)	(94,429)	-	(195,767)	(195,767)
	$ 252,373	$ (94,429)	$ (93)	$ 157,851	$ 157,851

(*) During fiscal 2009, other reductions in goodwill related to the reversal of liabilities for unrecognized tax benefits in accordance with ASC Topic 740.

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The Company’s intangible assets consist of the following:

	Useful Life In Years	2010	2009
		(Dollars in thousands)	
UtiliQuest tradename	Indefinite	$4,700	$4,700
Tradenames	4-15	2,600	2,925
Customer relationships	5-15	76,095	77,555
		83,395	85,180
Accumulated amortization:			
Tradenames		750	897
Customer relationships		33,020	28,227
		33,770	29,124
Net Intangible Assets		$49,625	$56,056

Amortization expense for finite-lived intangible assets for fiscal years 2010, 2009, and 2008 was $6.4 million, $6.8 million, and $7.3 million, respectively. Amortization of the Company’s customer relationships is recognized on an accelerated basis related to the expected economic benefit of the intangible asset, while amortization of other finite-lived intangibles is recognized on a straight-line basis over the estimated useful life. Estimated amortization expense for fiscal 2011 through fiscal 2015 and thereafter for amortizing intangibles is as follows (dollars in thousands):

2011	$6,022
2012	$5,204
2013	$5,135
2014	$4,790
2015	$4,777
Thereafter	$18,997

The Company’s goodwill resides in multiple reporting units. The profitability of individual reporting units may periodically suffer from downturns in customer demand and other factors resulting from the cyclical nature of the Company’s business, the high level of competition existing within the Company’s industry, the concentration of the Company’s revenues within a limited number of customers, and the level of overall economic activity. During times of economic slowdown, the Company’s customers may reduce their capital expenditures and defer or cancel pending projects. Individual reporting units may be relatively more impacted by these factors than the company as a whole. As a result, demand for the services of one or more of the Company’s reporting units could decline resulting in an impairment of goodwill or intangible assets.

The Company performed its annual impairment test in the fourth quarter of fiscal 2010 and there was no impairment of goodwill or indefinite lived-intangible assets. The Company’s estimate of the fair value of its reporting units was based on projections of revenues, operating costs, and cash flows taking into consideration historical and anticipated future results, general economic and market conditions, as well as the impact of planned business and operational strategies. The key assumptions impacting the fair value of the reporting units during the fiscal 2010 annual impairment analysis were: (a) expected cash flow for a period of seven years; (b) terminal value based on terminal growth rates of between 1% and 3%; and (c) a discount rate of 15% which was based on the Company’s best

estimate of the weighted average cost of capital adjusted for risks associated with the reporting units. The discount rate reflects risks inherent within each reporting unit operating individually, which is greater than the risks inherent in the company as a whole. The discount rate used in the fiscal 2010 analysis decreased compared to the rate used in our fiscal 2009 interim analysis since the fiscal 2009 analysis reflected increased risk due to volatility in economic conditions as of January 24, 2009. The Company believes the assumptions used in the fiscal 2010 impairment analysis were consistent with the risks inherent in the business models of its reporting units and within its industry.

During the second quarter of fiscal 2009, the Company's market capitalization was significantly impacted by the extreme volatility in the U.S. equity and credit markets and was below the book value of shareholders' equity by a substantial margin. As a result, the Company evaluated whether the decrease in its market capitalization reflected factors that would more likely than not reduce the fair value of the reporting units below their carrying value. Based on a combination of factors, including the economic environment, the sustained period of decline in its market capitalization, and the implied valuation and discount rate assumptions in its industry, the Company concluded there were sufficient indicators to perform an interim impairment test of the reporting units and related intangible assets as of January 24, 2009. As a result of this impairment test, the Company recognized a preliminary goodwill impairment charge of $94.4 million during the second quarter of fiscal 2009. The fiscal 2009 second quarter charge included impairments at the following reporting units: Broadband Installation Services (now Broadband Express) for $14.8 million, C-2 for $9.2 million, Ervin for $15.7 million, Nichols for $2.0 million, Stevens for $2.4 million and UtiliQuest for $50.5 million. The interim impairment analysis was finalized during the third quarter of fiscal 2009 and no further charges were incurred. The Company performed its annual impairment test in the fourth quarter of fiscal 2009 and there was no impairment of goodwill or indefinite-lived intangible assets.

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The fiscal 2009 analysis used the same valuation techniques described for the fiscal 2010 annual analysis. The key assumptions impacting the fair value of the Company's reporting units during the fiscal 2009 interim impairment analysis were: (a) expected cash flow for a period of seven years; (b) terminal value based on terminal growth rates of between 2% and 4%; and (c) a discount rate of 18% which was based on the Company's best estimate of the weighted average cost of capital adjusted for risks associated with the reporting units. The discount rate used in the fiscal 2009 analysis increased compared to the rate used in the fiscal 2008 annual analysis described below due to economic conditions and lower industry valuation comparisons. This increase in the discount rate caused a substantial decline in the calculated estimate of fair value of the reporting units. The Company believes the assumptions used in the fiscal 2009 interim impairment analysis were consistent with the risks inherent in the business models of its reporting units and within its industry.

As a result of the Company's fiscal 2008 annual impairment analysis, it determined that the goodwill of the Stevens reporting unit and Nichols reporting unit were impaired and consequently recognized goodwill impairment charges of approximately $5.9 and $3.8 million, respectively, during the fourth quarter of fiscal 2008. The fiscal 2008 analysis used the same valuation techniques described for the fiscal 2010 annual and fiscal 2009 interim analysis. The key assumptions used to determine the fair value of the Company's reporting units during the fiscal 2008 annual impairment analysis were: (a) expected cash flow for a period of seven years; (b) terminal value based on terminal growth rates of between 2% and 4%; and (c) a discount rate of 12% which was based on the Company's best estimate during the period of the weighted average cost of capital adjusted for risks associated with the reporting units. The assumptions used in the fiscal 2008 annual impairment analysis were consistent with the risks inherent in the business models of the Company's reporting units at the time the analysis was performed. The fiscal 2008 impairment of Stevens and Nichols was primarily the result of a change in management's expectations of long-term cash flows from customers of these reporting units. As disclosed in the Company's previous filings with the SEC, each of these reporting units has a concentration of revenues from a limited number of customers. Changes in anticipated demand had an adverse impact on the expected future cash flows of the reporting units used in the annual impairment analysis performed during the fourth quarter of fiscal 2008. The reduction in demand is the result of customers allocating their capital spending away from work management anticipated would be performed by these reporting units. In performing the ASC Topic 350 impairment assessment, management determined that this shift in demand was more than temporary, consequently impacting the expected cash flows over the seven year period used in the Company's goodwill analysis.

For fiscal 2009 and 2010, none of the reporting units incurred operating losses which would impact the overall financial position of the Company in a material manner. Current operating results, including any losses, are evaluated by the Company in the assessment of goodwill and other intangible assets. The estimates and assumptions used in assessing the fair value of the reporting units and the valuation of the underlying assets and liabilities are inherently subject to significant uncertainties. Changes in the Company's judgments and estimates could result in a significantly different estimate of the fair value of the reporting units and could result in impairments of goodwill or intangible assets at additional reporting units. For example, a change in the estimated discount rate used would have impacted the amount of the goodwill impairment charges recorded during fiscal 2009. Additionally, adverse conditions in the economy and future volatility in the equity and credit markets could impact the valuation of the reporting units. The Company can provide no assurances that, if such conditions occur, they will not trigger additional impairments of goodwill and other intangible assets in future periods.

As of July 31, 2010, the Company believes the carrying value of its goodwill and other indefinite-lived intangible asset is recoverable; however, there can be no assurances that they will not be impaired in future periods. Certain of the Company's reporting units also have other intangible assets including tradenames and customer relationship intangibles. As of July 31, 2010, management believes that the carrying amounts of the intangible assets are recoverable. However, if adverse events were to occur or circumstances were to change indicating that the carrying

amount of such assets may not be fully recoverable, the assets would be reviewed for impairment and the assets may become impaired.

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8. Accrued Insurance Claims

The Company retains the risk of loss, up to certain limits, for claims relating to automobile liability, general liability (including locate damages), workers' compensation, and employee group health. With regard to losses occurring in fiscal 2010 and fiscal 2011, the Company has retained the risk of loss up to $1.0 million on a per occurrence basis for automobile liability, general liability and workers' compensation. These retention amounts are applicable to all of the states in which the Company operates, except with respect to workers' compensation insurance in three states in which the Company participates in a state sponsored insurance fund. Aggregate stop loss coverage for automobile liability, general liability and workers' compensation claims is $43.8 million and $37.3 million for fiscal 2010 and fiscal 2011, respectively. For losses under the Company's employee health plan, the Company is party to a stop-loss agreement under which it retains the risk of loss, on an annual basis, of the first $250,000 of claims per participant. The stop-loss agreement is subject to renewal from time to time, generally on an annual basis. The current policy was in place during fiscal 2010 and expires on December 31, 2010.

Accrued insurance claims consist of the following:

	2010	2009
	(Dollars in thousands)	
Amounts expected to be paid within one year:		
Accrued auto, general liability and workers' compensation	$15,596	$15,559
Accrued employee group health	3,894	3,698
Accrued damage claims	8,596	8,129
	28,086	27,386
Amounts expected to be paid beyond one year:		
Accrued auto, general liability and workers' compensation	21,174	23,866
Accrued damage claims	3,670	5,893
	24,844	29,759
Total accrued insurance claims	$52,930	$57,145

9. Other Accrued Liabilities

Other accrued liabilities consist of the following:

	2010	2009
	(Dollars in thousands)	
Accrued payroll and related taxes	$18,930	$22,041
Accrued employee benefit and incentive plan costs	5,595	7,195
Accrued construction costs	7,892	8,083
Accrued interest and related bank fees	3,347	3,228
Other	7,049	12,043
Total other accrued liabilities	$42,813	$52,590

10. Debt

The Company's outstanding indebtedness consists of the following:

	2010	2009
	(Dollars in thousands)	
Senior subordinated notes	$135,350	$135,350
Capital leases	47	953
	135,397	136,303
Less: current portion	47	926
Long-term debt	$135,350	$135,377

On June 4, 2010, the Company entered into a new five-year $225.0 million credit agreement (the “Credit Agreement”) with a syndicate of banks. The Credit Agreement has an expiration date of June 4, 2015 and provides for a maximum borrowing of $225.0 million, including a sublimit of $100.0 million for the issuance of letters of credit. Subject to certain conditions, the Credit Agreement provides for the ability to enter into one or more incremental facilities in an aggregate amount not to exceed $75.0 million, either by increasing the revolving commitments under the Credit Agreement and/or in the form of term loans. The Credit Agreement replaces the Company’s prior credit facility (the “Prior Agreement”) which was due to expire in September 2011.

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Borrowings under the Credit Agreement (other than swingline loans) bear interest at a rate equal to either (a) the administrative agent's base rate, described in the Credit Agreement as the highest of (i) the federal funds rate plus 0.50%; (ii) the administrative agent's prime rate; and (iii) the eurodollar rate (described in the Credit Agreement as the British Bankers Association LIBOR Rate, divided by one (1) minus a reserve percentage (as described in the Credit Agreement) plus 1.00%, or (b) the eurodollar rate, plus, in each case, an applicable margin based on the Company's consolidated leverage ratio. Swingline loans bear interest at a rate equal to the administrative agent's base rate plus a margin based on the Company's consolidated leverage ratio. Based on the Company's current consolidated leverage ratio, revolving borrowings would be eligible for a margin of 1.50% for borrowings based on the administrative agent's base rate and 2.50% for borrowings based on the eurodollar rate.

The Company pays a quarterly facility fee, at rates that range from 0.500% to 0.625% of the unutilized commitments depending on its leverage ratio. The Credit Agreement also requires the payment of fees for outstanding letters of credit and unutilized commitments, in each case based on the Company's consolidated leverage ratio. Based on the Company's current consolidated leverage ratio, fees for outstanding letters of credit and fees for unutilized commitments would be 1.250% and 0.50% per annum, respectively. Obligations under the Credit Agreement are guaranteed by certain subsidiaries and secured by a pledge of (i) 100% of the equity of the Company's material domestic subsidiaries and (ii) 100% of the non-voting equity and 65% of the voting equity of first-tier material foreign subsidiaries, if any, in each case excluding certain unrestricted subsidiaries.

The Credit Agreement contains certain affirmative and negative covenants, including limitations with respect to indebtedness, liens, investments, distributions, mergers and acquisitions, dispositions of assets, sale-leaseback transactions, transactions with affiliates and capital expenditures. The Credit Agreement contains financial covenants that require the Company to (i) maintain a consolidated leverage ratio of not greater than 3.00 to 1.00, as measured at the end of each fiscal quarter and (ii) maintain a consolidated interest coverage ratio of not less than 2.75 to 1.00 for fiscal quarters ending July 31, 2010 through April 28, 2012 and not less than 3.00 to 1.00 for the fiscal quarter ending July 28, 2012 and each fiscal quarter thereafter, as measured at the end of each fiscal quarter.

As of July 31, 2010, the Company had no outstanding borrowings and $44.1 million of outstanding letters of credit issued under the Credit Agreement. The outstanding letters of credit are issued as part of the Company's insurance program. At July 31, 2010, the Company was in compliance with the financial covenants and had additional borrowing availability of $124.1 million as determined by the most restrictive covenants of the Credit Agreement.

In October 2005, Dycom Investments, Inc., a wholly-owned subsidiary of the Company, issued $150.0 million in aggregate principal amount of 8.125% senior subordinated notes due October 2015. Interest on the Notes is due on April 15th and October 15th of each year. The Company purchased $14.65 million principal amount of the Notes during fiscal 2009 for $11.3 million. As of July 31, 2010, the principal amount outstanding under the Notes was $135.35 million. The indenture governing the Notes contains covenants that restrict the Company's ability to, among other things:

- make certain payments, including the payment of dividends;
- redeem or repurchase its capital stock;
- incur additional indebtedness and issue preferred stock;
- make investments or create liens;
- enter into sale and leaseback transactions;

merge or consolidate with another entity;

sell certain assets; and

enter into transactions with affiliates.

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11. Income Taxes

The Company accounts for income taxes under the asset and liability method. This approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Prior to fiscal 2009, the Company incurred non-cash impairment charges on an investment for financial statement purposes and recorded a deferred tax asset reflecting the tax benefits of those impairment charges. During the first quarter of fiscal 2010, the investment became impaired for tax purposes and the Company determined that it was more likely than not that the associated tax benefit would not be realized prior to its eventual expiration. Accordingly, the Company recognized a non-cash income tax charge of $1.1 million for a valuation allowance of the associated deferred tax asset during the first quarter of fiscal 2010. Additionally, during fiscal 2010, fiscal 2009, and fiscal 2008, the provision for income taxes included the reversal of $1.2 million, $1.5 million, and $2.0 million, respectively, of certain income tax liabilities which were no longer required due to the expiration of certain statutes of limitation.

As of July 31, 2010, the Company has total unrecognized tax benefits of $2.0 million, which would reduce the Company's effective tax rate during future periods if it is subsequently determined that those liabilities are not required. The Company has approximately $0.4 million for the payment of interest and penalties accrued at July 31, 2010. The Company recognizes interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses. During 2010, the Company recognized approximately $0.1 million of interest benefit in the accompanying consolidated statements of operations, compared to $0.3 million of interest benefit, net during both fiscal 2009 and fiscal 2008. Included in interest benefit, net in fiscal 2010, 2009, and 2008 were reversals of $0.3 million, $0.5 million, and $0.9 million, respectively, for liabilities that were no longer required.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (dollars in thousands):

Balance at July 26, 2008	$4,204
Additions based on tax positions related to the fiscal year	229
Additions based on tax positions related to prior years	21
Settlements with taxing authorities	(106)
Reductions related to the expiration of statutes of limitation	(1,451)
Balance at July 25, 2009	2,897
Additions based on tax positions related to the fiscal year	231
Additions based on tax positions related to prior years	74
Reductions related to the expiration of statutes of limitation	(1,225)
Balance at July 31, 2010	$1,977

The Company files income tax returns in the U.S. federal jurisdiction, multiple state jurisdictions and in Canada. With limited exceptions, the Company is no longer subject to U.S. federal and most state and local income tax examinations for years ended 2006 and prior. Management believes its provision for income taxes is adequate; however, any material assessment could adversely affect the Company's results of operations, cash flows and liquidity. Measurement of certain aspects of the Company's tax positions are based on interpretations of tax regulations, federal and state case law and the applicable statutes. Based on these interpretations, management believes it is reasonably possible that unrecognized tax benefits will decrease in the next twelve months in the amount of approximately $0.2 million, primarily as a result of the expiration of various statutes of limitation.

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The components of the provision (benefit) for income taxes for continuing operations are as follows:

	Fiscal Year Ended		
	2010	2009	2008
	(Dollars in thousands)		
Current:			
Federal	$2,429	$3,869	$12,026
State	531	927	3,195
	2,960	4,796	15,221
Deferred:			
Federal	1,895	(4,866)	(1,161)
Foreign	(40)	250	(222)
State	66	(1,585)	(658)
	1,921	(6,201)	(2,041)
Total tax provision (benefit)	$4,881	$(1,405)	$13,180

Substantially all of the Company's pre-tax income (loss) is from operations in the United States. There were immaterial amounts of pre-tax income (loss) related to foreign operations for fiscal 2010, fiscal 2009, and fiscal 2008. The benefit for income taxes for discontinued operations in fiscal 2009 and 2008 was $0.1 million and $1.8 million, respectively. There was no provision (benefit) for income taxes for discontinued operations in fiscal 2010.

The deferred tax provision (benefit) represents the change in the deferred tax assets and liabilities representing the tax consequences of changes in the amount of temporary differences and changes in tax rates during the year. The significant components of deferred tax assets and liabilities are comprised of the following:

	2010	2009
	(Dollars in thousands)	
Deferred tax assets:		
Insurance and other reserves	$23,698	$25,320
Allowance for doubtful accounts and reserves	575	1,008
Other	3,784	4,127
Gross deferred tax assets	28,057	30,455
Valuation allowance	(1,845)	(564)
Deferred tax assets, net of valuation allowance	$26,212	$29,891
Deferred tax liabilities:		
Property and equipment	$16,990	$21,191
Goodwill and intangibles	17,751	15,144
Other	686	687
Deferred tax liabilities	$35,427	$37,022
Net deferred tax liabilities	$(9,215)	$(7,131)

As of July 31, 2010, we had approximately $0.3 million of federal and foreign and $19.1 million of state net operating loss carryforwards, which generally begin to expire starting in fiscal 2012. The valuation allowance reduces the deferred tax asset balances to the amount that the Company has determined is more likely than not to be realized.

This allowance was deemed necessary as the Company's ability to benefit from several state deferred tax assets for net operating loss carryforwards is uncertain.

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The difference between the total tax provision and the amount computed by applying the statutory federal income tax rates to pre-tax income (loss) from continuing operations is as follows:

	Fiscal Year Ended		
	2010	2009	2008
	(Dollars in thousands)		
Statutory rate applied to pre-tax income	$3,756	$(19,074)	$13,154
State taxes, net of federal tax benefit	388	(428)	1,649
Write-down of goodwill, with no tax benefit	-	17,645	-
Non-deductible and non-taxable items	1,064	1,009	865
Change in accruals for uncertain tax positions	(823)	(1,006)	(1,864)
Valuation allowance of deferred tax asset	1,090	-	-
Other items, net	(594)	449	(624)
Total tax provision (benefit)	$4,881	$(1,405)	$13,180

12. Other Income, net

The components of other income, net, are as follows:

	Fiscal Year Ended		
	2010	2009	2008
	(Dollars in thousands)		
Gain on sale of fixed assets	$7,677	$3,942	$6,724
Miscellaneous income	416	146	430
Gain on extinguishment of debt, net	-	3,027	-
Write-off of deferred financing costs	-	(551)	-
Total other income, net	$8,093	$6,564	$7,154

The Company purchased $14.65 million principal amount of Notes for $11.3 million during fiscal 2009. After the write-off of associated debt issuance costs, the net gain reported as other income was $3.0 million for fiscal 2009.

13. Employee Benefit Plans

The Company sponsors a defined contribution plan that provides retirement benefits to eligible employees that elect to participate. Under the plan, participating employees may defer up to 15% of their base pre-tax compensation. The Company contributes 30% of the first 5% of base compensation that a participant contributes to the plan. The Company's contributions were $1.2 million, $1.3 million, and $1.4 million in fiscal 2010, 2009, and 2008, respectively.

A subsidiary acquired in fiscal 2007 participates in a multiemployer defined benefit pension plan that covers certain of its employees. The subsidiary makes periodic contributions to the plan to meet the benefit obligations. During fiscal 2010, 2009, and 2008, the subsidiary contributed approximately $5.5 million, $5.3 million, and $4.9 million, respectively, to the plan.

14. Capital Stock

On February 23, 2010, the Board of Directors authorized the repurchase of up to $20.0 million of its common stock to be made over the next eighteen months in open market or private transactions. This repurchase program replaced the Company's existing program, which expired in February 2010. The Company repurchased 475,602 shares during fiscal 2010 at an average price of $9.44 per share. These shares were subsequently cancelled. As of July 31, 2010, approximately $15.5 million of the authorized amount remains for the repurchase of common stock.

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15. Stock-Based Awards

Stock-based awards are granted by the Company under its 2003 Long-term Incentive Plan (“2003 Plan”) and the 2007 Non-Employee Directors Equity Plan (“2007 Directors Plan”), (collectively, “the Plans”). The Company also has several other plans under which no further awards will be granted, including expired plans. The Company’s policy is to issue new shares to satisfy equity awards under the Plans. Under the terms of the Plans, stock options are granted at the closing price on the date of the grant and are exercisable over a period of up to ten years. The Plans also provide for the grants of time based restricted share units (“RSUs”), that currently vest ratably over a four year period from the date of grant. Additionally, the 2003 Plan provides for the grants of performance based restricted share units (“Performance RSUs”). Outstanding Performance RSUs vest over a three year period from the grant date if certain Company performance goals are achieved.

The following table lists the number of shares available and outstanding under each plan as of July 31, 2010, including restricted performance share units that will be issued under outstanding awards if certain performance goals are met:

	Plan Expiration	Outstanding Stock Options	Unvested Restricted Share Units Outstanding	Shares Available for Grant
Arguss Communications, Inc. 1991 Stock Option Plan	N/A	14,197	-	-
2001 Directors Stock Option Plan	2011	54,501	-	-
1998 Incentive Stock Option Plan	Expired	936,264	-	-
2003 Plan	2013	2,366,817	470,957	1,616,137
2007 Directors Plan	2017	147,604	19,234	75,042
		3,519,383	490,191	1,691,179

The following tables summarize the stock-based awards outstanding at July 31, 2010:

	Shares Subject to Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (In thousands)
Options outstanding	3,519,383	$18.53	6.0	$2,222
Options exercisable*	1,928,703	$27.11	3.5	$427

Options exercisable reflect the approximate amount of options expected to vest after giving effect to estimated forfeitures at an insignificant rate.

	Restricted Share Units	Weighted Average Grant Price	Weighted Average Remaining Vesting Period	Aggregate Intrinsic Value (In thousands)
Unvested time vesting share units	190,101	$10.95	2.3	$1,720
Unvested performance vesting share units	300,090	$19.29	0.6	$2,716

The aggregate intrinsic value for stock options and restricted share units in the preceding tables are based on the Company's closing stock price of $9.05 on July 30, 2010. These amounts represent the total intrinsic value that would have been received by the holders of the stock-based awards had the awards been exercised and sold as of that date, before any applicable taxes. The total intrinsic value of stock options exercised was less than $0.1 million for each of fiscal 2010 and fiscal 2009 and was $0.6 million for fiscal 2008. The Company received cash from the exercise of stock options of less than $0.1 million during both fiscal 2010 and 2009, and $1.3 million in fiscal 2008. During fiscal 2010, 2009, and 2008, the total fair value of restricted share units vested was $1.5 million, $1.0 million, and $7.1 million, respectively.

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The following table summarizes the stock-based awards activity during fiscal 2010:

	Stock Options		RSUs		Performance RSUs	
	Shares	Weighted Average Exercise Price	Share Units	Weighted Average Grant Price	Share Units	Weighted Average Grant Price
Outstanding as of July 25, 2009	2,866,675	$ 23.36	177,400	$ 13.78	680,342	$ 21.34
Granted	1,034,248	$ 8.55	112,436	$ 8.56	55,746	$ 12.25
Options Exercised/Share Units Vested	(4,841)	$ 6.83	(85,417)	$ 13.83	(82,428)	$ 22.55
Forfeited or cancelled	(376,699)	$ 28.01	(14,318)	$ 10.05	(353,570)	$ 21.87
Outstanding as of July 31, 2010	3,519,383	$ 18.53	190,101	$ 10.95	300,090	$ 19.29
Exercisable options as of July 31, 2010	1,928,703	$ 27.11				

The Performance RSUs in the above table represent the maximum number of awards which may vest under the outstanding grants assuming that all performance criteria are met. Approximately 220,000 Performance RSUs outstanding as of July 31, 2010 will be cancelled in fiscal 2011 related to fiscal 2010 performance criteria not being met.

During fiscal 2010, the Company granted stock options and time-based and performance-based restricted share units to certain of its employees and officers. The fair value of stock option grants is estimated on the date of grant using the Black-Scholes option pricing model based on certain assumptions including: expected volatility based on the historical price of the Company's stock over the expected life of the option; the risk free rate of return based on the U.S. Treasury yield curve in effect at the time of grant for the expected term of the option; the expected life based on the period of time the options are expected to be outstanding using historical data to estimate option exercise and employee termination; and dividend yield based on the Company's history and expectation of dividend payments. The fair value of restricted share units is estimated on the date of grant and is generally equal to the closing stock price of the Company on the date of grant. The following table summarizes the average fair value of stock options and restricted share units granted during fiscal 2010, 2009, and 2008.

	Fiscal Year Ended		
	2010	2009	2008
Weighted average fair value of restricted share units granted	$9.78	$7.60	$27.37
Weighted average fair value of stock options granted	$5.06	$3.73	$9.96
Stock option assumptions:			
Risk-free interest rate	2.7 %	2.3 %	3.5 %
Expected life (years)	6.8	6.6	6.6
Expected volatility	58.4 %	55.4 %	46.6 %
Expected dividends	-	-	-

The time vesting restricted share units granted to employees and officers of the Company vest ratably over a period of four years. Each restricted share unit will be settled in one share of the Company's common stock on the vesting date. Upon each annual vesting, 50% of the newly vested shares (net of any shares used to satisfy tax withholding obligations) are restricted from sale or transferability ("restricted holdings"). The restrictions on sale or transferability of the restricted holdings will end 90 days after termination of employment of the holder. When the holder has accumulated restricted holdings having a value equal to or greater than the holder's annual base salary then in effect, future grants will no longer be subject to the restriction on transferability.

The performance vesting restricted share units were granted to certain officers of the Company and represent the maximum number of awards which may vest under the grant. Each restricted share unit will be settled in one share of the Company's common stock upon vesting. The performance vesting restricted share units vest over a three year period from grant date, if certain annual Company performance targets are met. The performance targets are based on a combination of the Company's fiscal year operating earnings (adjusted for certain amounts) as a percentage of contract revenues and the Company's fiscal year operating cash flow level. Additionally, the awards include three year performance goals with similar measures as the fiscal year targets which if met result in supplemental shares awarded.

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Compensation expense for stock-based awards is based on the fair value at the measurement date and is included in general and administrative expenses in the consolidated statements of operations. The compensation expense and the related tax benefit recognized related to stock options and restricted share units for fiscal 2010, 2009, and 2008 is as follows:

	For the Year Ended		
	2010	2009	2008
	(Dollars in thousands)		
Stock-based compensation expense	$3,351	$3,897	$5,156
Tax benefit recognized	$(806)	$(1,338)	$(1,988)

During fiscal 2010, 2009, and 2008, the Company realized a tax benefit from share-based awards of approximately $0.6 million, $0.4 million, and $2.9 million, respectively.

The Company evaluates compensation expense quarterly and recognizes expense for performance based awards only if management determines it is probable that the performance criteria for the awards will be met. The total amount of expense ultimately recognized is based on the number of awards that actually vest. The performance criteria of certain of the stock-based awards were not achieved for the fiscal 2010, 2009, and 2008 performance periods and, as a result, stock-based compensation expense was reduced for these awards. Accordingly, the amount of compensation expense recognized during any fiscal year may not be representative of future stock-based compensation expense.

Under the Plans, the maximum total unrecognized compensation expense and weighted-average period over which the expense would be recognized subsequent to July 31, 2010 is shown below. For performance based awards, the unrecognized compensation cost is based upon the maximum amount of restricted share units that can be earned under outstanding awards. If the performance goals are not met, no compensation expense will be recognized for these share units and compensation expense previously recognized will be reversed.

	Unrecognized Compensation Expense (In thousands)	Weighted-Average Period (In years)
Stock options	$ 6,163	3.0
Unvested RSUs	$ 1,438	2.3
Unvested Performance RSUs	$ 830	0.6

16. Related Party Transactions

The Company leases administrative offices from entities related to officers of the Company's subsidiaries. The total expense under these arrangements for each of fiscal 2010, 2009, and 2008 was $1.3 million, $1.0 million and $1.4 million, respectively. The remaining future minimum lease commitments under these arrangements is approximately $0.8 million for each of fiscal years 2011 through 2013, $1.0 million in fiscal 2014, and less than $0.1 million in fiscal 2015. Additionally, the Company paid $0.3 million in subcontracting services to entities related to officers of certain of its subsidiaries for fiscal 2008. There was a minimal amount paid in subcontracting services to entities related to

officers of certain of the Company’s subsidiaries for other business purposes in fiscal 2009 and 2010.

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17. Concentrations of Credit Risk

The Company is subject to concentrations of credit risk relating primarily to its cash and equivalents, trade accounts receivable and costs and estimated earnings in excess of billings. The Company grants credit under normal payment terms, generally without collateral, to its customers. These customers primarily consist of telephone companies, cable television multiple system operators and electric and gas utilities. With respect to a portion of the services provided to these customers, the Company has certain statutory lien rights which may in certain circumstances enhance the Company's collection efforts. Adverse changes in overall business and economic factors may impact the Company's customers and increase credit risks. These risks may be heightened as a result of the current economic developments and market volatility. In the past, some of the Company's customers have experienced significant financial difficulties and likewise, some may experience financial difficulties in the future. These difficulties expose the Company to increased risks related to the collectability of amounts due for services performed. The Company believes that none of its significant customers were experiencing financial difficulties that would impact the collectability of the Company's trade accounts receivable and costs in excess of billings as of July 31, 2010.

AT&T Inc. ("AT&T"), Comcast Corporation ("Comcast"), Verizon Communications Inc. ("Verizon"), and CenturyLink, Inc. ("CenturyLink") represent a significant portion of the Company's revenue. For the last three fiscal years revenues from AT&T, Comcast, Verizon, and CenturyLink represented the following percentages of total revenue from continuing operations:

	Fiscal Year Ended		
	2010	2009	2008
AT&T	20.4 %	18.2 %	18.9 %
Comcast	14.3 %	14.9 %	11.9 %
Verizon	11.5 %	16.5 %	18.4 %
CenturyLink*	10.1 %	6.6 %	6.4 %

*For comparison purposes, CenturyLink, Inc. and Embarq Corporation revenues have been combined for periods prior to their July 2009 merger.

Customers representing 10% or more of revenue had the following combined amounts of trade accounts receivable and costs and estimated earnings in excess of billings outstanding and the related percentage of the Company's total outstanding balances:

	July 31, 2010		July 25, 2009	
	Amount	% of Total	Amount	% of Total
	(Dollars in millions)			
AT&T	$ 30.9	17.4 %	$ 28.5	15.6 %
Comcast	$ 19.6	11.1 %	$ 21.6	11.8 %
Verizon	$ 22.4	12.7 %	$ 48.0	26.2 %
CenturyLink*	$ 26.4	14.9 %	$ 8.8	4.8 %

18. Commitments and Contingencies

In June 2010, a former employee of Prince Telecom, LLC ("Prince"), a wholly-owned subsidiary of the Company, commenced a lawsuit against Prince, the Company and certain unnamed U.S. affiliates of Prince and the Company (the "Affiliates") in the United States District Court for the Southern District of New York. The lawsuit alleges that Prince, the Company and the Affiliates violated the Fair Labor Standards Act by failing to comply with applicable overtime pay requirements. The plaintiff seeks unspecified damages and other relief on behalf of himself and a putative class of similarly situated current and former employees of Prince, the Company and/or the Affiliates. It is too early to evaluate the likelihood of an outcome to this matter or estimate the amount or range of potential loss, if any. The Company intends to vigorously defend itself against this lawsuit.

In May 2009, the Company and Prince were named as defendants in a lawsuit in the U.S. District Court for the Western District of Washington. The plaintiffs, all former employees of the subsidiary, alleged various wage and hour claims, including that employees were not paid for all hours worked and were subject to improper wage deductions. Plaintiffs sought to certify as a class current and former employees of the subsidiary who worked in the State of Washington. In November 2009, the plaintiffs' attorneys, the Company and the subsidiary entered into a memorandum of understanding pursuant to which the parties agreed to the terms of a proposed settlement with respect to the lawsuit. In January 2010, the Court granted preliminary approval of the proposed settlement. Notice of the terms of the proposed settlement and claim forms were mailed to members of the plaintiffs' class in February 2010. The Court held a hearing regarding the plaintiffs' Motion for Final Approval of the Class Action Settlement in April 2010, at which time it entered an Order approving the settlement and dismissed the action with prejudice subject to final administration of the terms of the settlement. Excluding legal expenses of the Company, approximately $1.6 million was incurred pursuant to the settlement and was paid in June 2010.

During fiscal 2007, the Company was contacted by counsel representing current and former employees alleging violations of the Fair Labor Standards Act and state wage and hour laws at its UtiliQuest, LLC, S.T.S., LLC and Locating, Inc. subsidiaries. The claims included periods dating primarily from September 2003 through January 31, 2007 and covered a number of states where these subsidiaries conducted business. During fiscal 2008, these subsidiaries reached an agreement to settle these claims through a structured mediation process. Excluding legal expenses, approximately $8.6 million was incurred pursuant to the settlement in fiscal 2008 and was paid in October 2008.

In December 2006, two former employees of Apex Digital, LLC ("Apex"), a wholly-owned subsidiary that was previously discontinued, commenced a lawsuit against the subsidiary in Illinois State Court on behalf of themselves and purporting to represent other similarly situated employees in Illinois. The lawsuit alleged that Apex violated certain minimum wage laws under the Fair Labor Standards Act and related state laws by failing to comply with applicable minimum wage and overtime pay requirements. In fiscal 2008, the subsidiary reached an agreement to settle these claims through a structured mediation process and incurred a charge of approximately $1.2 million for the settlement and was paid in January 2009.

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From time to time, the Company and its subsidiaries are also party to various other claims and legal proceedings. Additionally, as part of the Company's insurance program, the Company retains the risk of loss, up to certain limits, for claims related to automobile liability, general liability, workers' compensation, employee group health, and locate damages. For these claims, the effect on the Company's financial statements is generally limited to the amount of the Company's insurance deductible or insurance retention. It is the opinion of the Company's management, based on information available at this time, that none of such other pending claims or proceedings will have a material effect on its consolidated financial statements.

In the normal course of business, tax positions exist for which the ultimate outcome is uncertain. The Company establishes reserves against some or all of the tax benefit of the Company's tax positions at the time the Company determines that it becomes uncertain. For purposes of evaluating whether a tax position is uncertain, management presumes the tax position will be examined by the relevant taxing authority; the technical merits of a tax position are derived from authorities in the tax law and their applicability to the facts and circumstances of the tax position; and each tax position is evaluated without consideration of the possibility of offset or aggregation with other tax positions taken. A number of years may elapse before a particular uncertain tax position is audited and finally resolved or when a tax assessment is raised. The number of years subject to tax assessments varies depending on the tax jurisdiction. The tax benefit that has been previously reserved because of a failure to meet the "more likely than not" recognition threshold would be recognized in the Company's income tax expense in the first interim period when the uncertainty disappears; when the matter is effectively settled; or when the applicable statute of limitations expires.

The Company and its subsidiaries have operating leases covering office facilities, vehicles, and equipment that have original noncancelable terms in excess of one year. Certain of these leases contain renewal provisions and generally require the Company to pay insurance, maintenance, and other operating expenses. Total expense incurred under these operating lease agreements, excluding the transactions with related parties (see Note 16), for fiscal 2010, 2009, and 2008 was $10.1 million, $9.7 million, and $8.9 million, respectively. The Company also incurred rental expense of approximately $6.0 million, $9.9 million, and $11.3 million, respectively, related to facilities, vehicles, and equipment which are being leased under original terms that are less than one year. The future minimum obligation during each fiscal year through fiscal 2015 and thereafter under the leases with noncancelable terms, excluding transactions with related parties, in excess of one year is as follows:

	Future Minimum Lease Payments (Dollars in thousands)
2011	$ 7,528
2012	5,548
2013	4,132
2014	3,022
2015	2,717
Thereafter	3,839
Total	$ 26,786

Letters of Credit

The Company has $44.1 million of outstanding letters of credit issued under its Credit Agreement as part of the Company's insurance program.

Performance Bonds and Guarantees

The Company has obligations under performance bonds related to certain of its customer contracts. Performance bonds generally provide the Company's customer with the right to obtain payment and/or performance from the issuer of the bond if the Company fails to perform its contractual obligations. As of July 31, 2010, the Company had $44.4 million of outstanding performance bonds and no events have occurred in which the customers have exercised their rights under the bonds.

The Company has periodically guaranteed certain obligations of its subsidiaries, including obligations in connection with obtaining state contractor licenses and leasing real property.

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19. Quarterly Financial Data (Unaudited)

In the opinion of management, the following unaudited quarterly data for fiscal 2010 and 2009 reflect all adjustments (consisting of normal recurring accruals), which are necessary to present a fair presentation of amounts shown for such periods. The earnings (loss) per common share calculation for each quarter is based on the weighted average shares of common stock outstanding plus the dilutive effect of stock options and restricted share units, if any.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter(1)
Fiscal 2010 (2):	(dollars in thousands, except per share amounts)			
Revenues	$259,116	$216,331	$231,636	$281,541
Gross profit	$49,144	$35,395	$40,303	$53,718
Net income (loss)	$3,523	$(3,965)	$1,648	$4,643
Earnings (loss) per common share - Basic:	$0.09	$(0.10)	$0.04	$0.12
Earnings (loss) per common share - Diluted:	$0.09	$(0.10)	$0.04	$0.12
Fiscal 2009 (3):				
Revenues	$333,967	$245,522	$257,719	$269,691
Gross profit	$65,321	$39,662	$50,986	$56,045
Net income (loss)	$10,548	$(77,953)	$7,597	$6,628
Earnings (loss) per common share - Basic:	$0.27	$(1.98)	$0.19	$0.17
Earnings (loss) per common share - Diluted:	$0.27	$(1.98)	$0.19	$0.17

The sum of the quarterly results may not equal the reported annual amounts due to rounding.

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(1) The Company uses a fiscal year ending on the last Saturday in July. Fiscal 2010 consisted of 53 weeks with the fourth quarter having 14 weeks of operations, compared to fiscal 2009 which consisted of 52 weeks with the fourth quarter having 13 weeks of operations.

(2) During the first quarter of fiscal 2010, the Company incurred a $2.0 million charge related to the settlement of a legal matter. Additionally, during the first quarter of fiscal 2010 the Company recognized a non-cash income tax charge of $1.1 million for a valuation allowance on a deferred tax asset associated with an investment that became impaired for tax purposes.

(3) During the second quarter of fiscal 2009, the Company recognized a goodwill impairment charge of $94.4 million that included impairments at the following reporting units: Broadband Installation Services (formerly Cable Express and now known as Broadband Express) for $14.8 million, C-2 Utility Contractors for $9.2 million, Ervin Cable Construction for $15.7 million, Nichols Construction for $2.0 million, Stevens Communications for $2.4 million and UtiliQuest for $50.5 million as a result of an interim ASC Topic 350 valuation of reporting units (see Note 7).

20. Supplemental Consolidating Financial Statements

As of July 31, 2010, the principal amount outstanding of the Company's Notes was $135.35 million. The Notes were issued in fiscal 2006 by Dycom Investments, Inc. ("Issuer"), a wholly-owned subsidiary of the Company. The following consolidating financial statements present, in separate columns, financial information for (i) Dycom Industries, Inc. ("Parent") on a parent only basis, (ii) the Issuer, (iii) the guarantor subsidiaries for the Notes on a combined basis, (iv) other non-guarantor subsidiaries on a combined basis, (v) the eliminations and reclassifications necessary to arrive at the information for the Company on a consolidated basis, and (vi) the Company on a consolidated basis. The consolidating financial statements are presented in accordance with the equity method. Under this method, the investments in subsidiaries are recorded at cost and adjusted for the Company's share of subsidiaries' cumulative results of operations, capital contributions, distributions and other equity changes. Intercompany charges (income) between the Parent and subsidiaries are recognized in the consolidating financial statements during the period incurred and the settlement of intercompany balances is reflected in the consolidating statement of cash flows based on the nature of the underlying transactions.

Each guarantor and non-guarantor subsidiary is wholly-owned, directly or indirectly, by the Issuer and the Parent. The Notes are fully and unconditionally guaranteed on a joint and several basis by each guarantor subsidiary and Parent. There are no contractual restrictions limiting transfers of cash from guarantor and non-guarantor subsidiaries to Issuer or Parent, within the meaning of Rule 3-10 of Regulation S-X.

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
JULY 31, 2010

	Parent	Issuer	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Dycom Consolidated
			(Dollars in thousands)			
ASSETS						
CURRENT ASSETS:						
Cash and equivalents	$-	$-	$102,858	$ 462	$ -	$ 103,320
Accounts receivable, net	-	-	109,141	976	-	110,117
Costs and estimated earnings in excess of billings	-	-	66,180	379	-	66,559
Deferred tax assets, net	1,056	-	13,959	67	(138)	14,944
Income taxes receivable	3,626	-	-	-	-	3,626
Inventories	-	-	15,958	100	-	16,058
Other current assets	2,395	9	4,761	972	-	8,137
Total current assets	7,077	9	312,857	2,956	(138)	322,761
PROPERTY AND EQUIPMENT, NET	10,379	-	106,069	20,165	(585)	136,028
GOODWILL	-	-	157,851	-	-	157,851
INTANGIBLE ASSETS, NET	-	-	49,625	-	-	49,625
DEFERRED TAX ASSETS, NET NON-CURRENT	-	-	13,267	-	(13,267)	-
INVESTMENT IN SUBSIDIARIES	678,966	1,256,518	-	-	(1,935,484)	-
INTERCOMPANY RECEIVABLES	-	-	744,064	-	(744,064)	-
OTHER	7,461	2,527	2,812	491	-	13,291
TOTAL NON-CURRENT ASSETS	696,806	1,259,045	1,073,688	20,656	(2,693,400)	356,795
TOTAL	$703,883	$1,259,054	$1,386,545	$ 23,612	$ (2,693,538)	$ 679,556
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Accounts payable	$137	$-	$25,548	$ 196	$ -	$ 25,881
Current portion of debt	-	-	47	-	-	47
Billings in excess of costs and estimated earnings	-	-	376	-	-	376

Accrued insurance claims	615	-	27,395	76	-	28,086
Deferred tax liabilities	-	138	-	-	(138)	-
Other accrued liabilities	3,317	3,255	34,565	1,676	-	42,813
Total current liabilities	4,069	3,393	87,931	1,948	(138)	97,203
LONG-TERM DEBT	-	135,350	-	-	-	135,350
ACCRUED INSURANCE CLAIMS	739	-	24,046	59	-	24,844
DEFERRED TAX LIABILITIES, NET NON-CURRENT	1,059	333	32,938	3,096	(13,267)	24,159
INTERCOMPANY PAYABLES	300,875	441,012	-	2,189	(744,076)	-
OTHER LIABILITIES	2,586	-	853	6	-	3,445
Total liabilities	309,328	580,088	145,768	7,298	(757,481)	285,001
Total stockholders' equity	394,555	678,966	1,240,777	16,314	(1,936,057)	394,555
TOTAL	$703,883	$1,259,054	$1,386,545	$ 23,612	$ (2,693,538)	$ 679,556

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
JULY 25, 2009

	Parent	Issuer	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Dycom Consolidated
			(Dollars in thousands)			
ASSETS						
CURRENT ASSETS:						
Cash and equivalents	$ -	$ -	$ 104,582	$ 125	$ -	$ 104,707
Accounts receivable, net	3	-	115,631	1,334	-	116,968
Costs and estimated earnings in excess of billings	-	-	66,780	331	-	67,111
Deferred tax assets, net	1,275	-	14,562	112	(170)	15,779
Income taxes receivable	7,028	-	-	-	(12)	7,016
Inventories	-	-	8,189	114	-	8,303
Other current assets	2,202	8	4,454	659	-	7,323
Total current assets	10,508	8	314,198	2,675	(182)	327,207
PROPERTY AND EQUIPMENT, NET	13,114	-	113,032	16,615	(629)	142,132
GOODWILL	-	-	157,851	-	-	157,851
INTANGIBLE ASSETS, NET	-	-	56,056	-	-	56,056
DEFERRED TAX ASSETS, NET NON-CURRENT	-	-	15,576	113	(15,689)	-
INVESTMENT IN SUBSIDIARIES	672,026	1,216,440	-	2	(1,888,468)	-
INTERCOMPANY RECEIVABLES	-	-	716,687	-	(716,687)	-
OTHER	4,796	2,906	1,875	634	-	10,211
TOTAL NON-CURRENT ASSETS	689,936	1,219,346	1,061,077	17,364	(2,621,473)	366,250
TOTAL	$ 700,444	$ 1,219,354	$ 1,375,275	$ 20,039	$ (2,621,655)	$ 693,457
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						

Accounts payable	$ 258	$ -	$ 28,019	$ 700	$ -	$ 28,977
Current portion of debt	-	-	926	-	-	926
Billings in excess of costs and estimated earnings	-	-	151	-	-	151
Accrued insurance claims	670	-	26,641	75	-	27,386
Deferred tax liabilities	-	105	10	55	(170)	-
Other accrued liabilities	4,937	3,073	43,026	1,566	(12)	52,590
Total current liabilities	5,865	3,178	98,773	2,396	(182)	110,030
LONG-TERM DEBT	-	135,350	27	-	-	135,377
ACCRUED INSURANCE CLAIMS	970	-	28,676	113	-	29,759
DEFERRED TAX LIABILITIES, NET NON-CURRENT	491	428	34,413	3,267	(15,689)	22,910
INTERCOMPANY PAYABLES	298,713	408,372	-	9,614	(716,699)	-
OTHER LIABILITIES	3,782	-	964	12	-	4,758
Total liabilities	309,821	547,328	162,853	15,402	(732,570)	302,834
Total stockholders' equity	390,623	672,026	1,212,422	4,637	(1,889,085)	390,623
TOTAL	$ 700,444	$ 1,219,354	$ 1,375,275	$ 20,039	$ (2,621,655)	$ 693,457

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED JULY 31, 2010

(Dollars in thousands)	Parent	Issuer	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Dycom Consolidated
REVENUES:						
Contract revenues	$ -	$ -	$ 980,082	$ 8,541	$ -	$ 988,623
EXPENSES:						
Costs of earned revenues, excluding depreciation and amortization	-	-	802,203	7,861	-	810,064
General and administrative	21,659	457	65,058	10,966	-	98,140
Depreciation and amortization	3,293	-	56,368	3,991	(45)	63,607
Intercompany charges (income), net	(27,589)	-	27,026	563	-	-
Total	(2,637)	457	950,655	23,381	(45)	971,811
Interest income	11	-	86	-	-	97
Interest expense	(2,648)	(11,558)	(66)	-	-	(14,272)
Other income, net	-	-	8,007	86	-	8,093
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY IN EARNINGS (LOSSES) OF SUBSIDIARIES	-	(12,015)	37,454	(14,754)	45	10,730
PROVISION (BENEFIT) FOR INCOME TAXES	1,092	(5,493)	16,027	(6,745)	-	4,881
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE EQUITY IN EARNINGS (LOSSES) OF SUBSIDIARIES	(1,092)	(6,522)	21,427	(8,009)	45	5,849

LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	-	-	-	-	-	-
NET INCOME (LOSS) BEFORE EQUITY IN EARNINGS (LOSSES) OF SUBSIDIARIES	(1,092)	(6,522)	21,427	(8,009)	45	5,849
EQUITY IN EARNINGS OF SUBSIDIARIES	6,941	13,463	-	-	(20,404)	-
NET INCOME (LOSS)	$ 5,849	$ 6,941	$ 21,427	$ (8,009)	$ (20,359)	$ 5,849

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED JULY 25, 2009

(Dollars in thousands)	Parent	Issuer	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Dycom Consolidated
REVENUES:						
Contract revenues	$ -	$ -	$ 1,101,192	$ 5,708	$ -	$ 1,106,900
EXPENSES:						
Costs of earned revenues, excluding depreciation and amortization	-	-	888,821	6,256	(192)	894,885
General and administrative	24,045	493	65,855	8,339	-	98,732
Depreciation and amortization	2,703	-	60,301	2,463	(32)	65,435
Goodwill impairment charge	-	-	94,429	-	-	94,429
Intercompany charges (income), net	(30,014)	(23)	29,579	177	281	-
Total	(3,266)	470	1,138,985	17,235	57	1,153,481
Interest income	35	-	225	1	-	261
Interest expense	(2,734)	(11,874)	(135)	-	-	(14,743)
Other income, net	(567)	3,027	4,071	33	-	6,564
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY IN LOSSES OF SUBSIDIARIES	-	(9,317)	(33,632)	(11,493)	(57)	(54,499)
PROVISION (BENEFIT) FOR INCOME TAXES	-	(3,732)	6,932	(4,605)	-	(1,405)
LOSS FROM CONTINUING OPERATIONS BEFORE EQUITY IN LOSSES OF SUBSIDIARIES	-	(5,585)	(40,564)	(6,888)	(57)	(53,094)

LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	-	-	(86)	-	-	(86)
LOSS BEFORE EQUITY IN LOSSES OF SUBSIDIARIES	-	(5,585)	(40,650)	(6,888)	(57)	(53,180)
EQUITY IN LOSSES OF SUBSIDIARIES	(53,180)	(47,595)	-	-	100,775	-
NET LOSS	$ (53,180)	$ (53,180)	$ (40,650)	$ (6,888)	$ 100,718	$ (53,180)

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED JULY 26, 2008

(Dollars in thousands)	Parent	Issuer	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Dycom Consolidated
REVENUES:						
Contract revenues	$ -	$ -	$ 1,225,263	$ 4,693	$ -	$ 1,229,956
EXPENSES:						
Costs of earned revenues, excluding depreciation and amortization	-	-	1,008,196	4,623	(1,600)	1,011,219
General and administrative	25,899	228	69,172	3,644	(1)	98,942
Depreciation and amortization	1,966	-	64,364	958	-	67,288
Goodwill impairment charge	-	-	9,672	-	-	9,672
Intercompany charges (income), net	(27,996)	-	25,079	812	2,105	-
Total	(131)	228	1,176,483	10,037	504	1,187,121
Interest income	9	-	679	3	-	691
Interest expense	(201)	(12,538)	(357)	-	-	(13,096)
Other income, net	61	-	6,857	236	-	7,154
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY IN EARNINGS (LOSSES) OF SUBSIDIARIES	-	(12,766)	55,959	(5,105)	(504)	37,584
PROVISION (BENEFIT) FOR INCOME TAXES	-	(4,549)	19,548	(1,819)	-	13,180
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE EQUITY IN EARNINGS (LOSSES)						

OF SUBSIDIARIES	-	(8,217)	36,411	(3,286)	(504)	24,404
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	-	-	(2,726)	-	-	(2,726)
NET INCOME (LOSS) BEFORE EQUITY IN EARNINGS (LOSSES) OF SUBSIDIARIES	-	(8,217)	33,685	(3,286)	(504)	21,678
EQUITY IN EARNINGS OF SUBSIDIARIES	21,678	29,895	-	-	(51,573)	-
NET INCOME (LOSS)	$ 21,678	$ 21,678	$ 33,685	$ (3,286)	$ (52,077)	$ 21,678

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED JULY 31, 2010

(Dollars in thousands)	Parent	Issuer	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Dycom Consolidated
Net cash provided by (used in) operating activities	$1,412	$(6,025)	$62,857	$ (4,106)	$ -	$ 54,138
Cash flows from investing activities:						
Capital expenditures	(3,191)	-	(47,248)	(4,937)	-	(55,376)
Proceeds from sale of assets	-	-	8,617	151	-	8,768
Capital contributions to subsidiaries	-	(26,615)	-	-	26,615	-
Net used in investing activities	(3,191)	(26,615)	(38,631)	(4,786)	26,615	(46,608)
Cash flows from financing activities:						
Principal payments on long-term debt	-	-	(1,023)	-	-	(1,023)
Debt issuance costs	(3,233)	-	-	-	-	(3,233)
Repurchases of common stock	(4,489)	-	-	-	-	(4,489)
Restricted stock tax withholdings	(274)	-	-	-	-	(274)
Exercise of stock options and other	33	-	-	-	-	33
Intercompany funding	9,673	32,640	(24,927)	9,229	(26,615)	0
Excess tax benefit from share-based awards	69	-	-	-	-	69
Net cash provided by (used in) financing activities	1,779	32,640	(25,950)	9,229	(26,615)	(8,917)
Net increase (decrease) in cash and equivalents	-	-	(1,724)	337	-	(1,387)
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	-	-	104,582	125	-	104,707
CASH AND EQUIVALENTS AT END OF PERIOD	$-	$-	$102,858	$ 462	$ -	$ 103,320

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED JULY 25, 2009

(Dollars in thousands)	Parent	Issuer	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Dycom Consolidated
Net cash provided by (used in) operating activities	$6,368	$(8,093)	$131,922	$ (3,495)	$ (66)	$ 126,636
Cash flows from investing activities (1):						
Changes in restricted cash	(233)	-	173	-	-	(60)
Capital expenditures	(4,637)	-	(18,583)	(7,309)	-	(30,529)
Proceeds from sale of assets	-	-	5,182	21	-	5,203
Capital contributions to subsidiaries	-	(5,310)	-	-	5,310	-
Net cash used in investing activities	(4,870)	(5,310)	(13,228)	(7,288)	5,310	(25,386)
Cash flows from financing activities:						
Proceeds from long-term debt	30,000	-	-	-	-	30,000
Principal payments on long-term debt	(30,000)	-	(2,337)	-	-	(32,337)
Purchase of senior subordinated notes	-	(11,292)	-	-	-	(11,292)
Debt issuance costs	(1,837)	-	-	-	-	(1,837)
Repurchases of common stock	(2,915)	-	-	-	-	(2,915)
Restricted stock tax withholdings	(247)	-	-	-	-	(247)
Exercise of stock options and other	17	-	-	-	-	17
Intercompany funding	3,484	24,695	(33,343)	10,408	(5,244)	-
Net cash provided (used in) by financing activities	(1,498)	13,403	(35,680)	10,408	(5,244)	(18,611)
Net increase (decrease) in cash and equivalents	-	-	83,014	(375)	-	82,639
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	-	-	21,568	500	-	22,068

CASH AND EQUIVALENTS AT END OF PERIOD	$-	$-	$104,582	$ 125	$ -	$ 104,707

(1) During fiscal 2009, the Issuer made non-cash capital contributions totaling $30.8 million to the subsidiary guarantors.

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED JULY 26, 2008

(Dollars in thousands)	Parent	Issuer	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Dycom Consolidated
Net cash provided by (used in) operating activities	$(5,832)	$(5,447)	$115,408	$ 664	$ (504)	$ 104,289
Cash flows from investing activities (1):						
Changes in restricted cash	(361)	-	71	-	-	(290)
Capital expenditures	(6,647)	-	(56,979)	(8,445)	-	(72,071)
Proceeds from sale of assets	-	-	9,125	615	-	9,740
Proceeds from acquisition indemnification claims	-	-	522	-	-	522
Net cash (used in) provided by investing activities	(7,008)	-	(47,261)	(7,830)	-	(62,099)
Cash flows from financing activities:						
Proceeds from long-term debt	30,000	-	-	-	-	30,000
Principal payments on long-term debt	(40,000)	-	(3,496)	-	-	(43,496)
Repurchases of common stock	(25,159)	-	-	-	-	(25,159)
Excess tax benefit from share-based awards	479	-	-	-	-	479
Restricted stock tax withholdings	(2,147)	-	-	-	-	(2,147)
Exercise of stock options and other	1,339	-	-	-	-	1,339
Intercompany funding	48,328	5,447	(61,387)	7,108	504	-
Net cash provided by (used in) financing activities	12,840	5,447	(64,883)	7,108	504	(38,984)
Net increase (decrease) in cash and equivalents	-	-	3,264	(58)	-	3,206
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	-	-	18,304	558	-	18,862
CASH AND EQUIVALENTS AT END	$-	$-	$21,568	$ 500	$ -	$ 22,068

OF PERIOD

(1) During fiscal 2008, the Issuer made non-cash capital contributions of $95.3 million and $1.8 million to the Subsidiary Guarantors and a Non-Guarantor Subsidiary, respectively.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Dycom Industries, Inc.
Palm Beach Gardens, Florida

We have audited the accompanying consolidated balance sheets of Dycom Industries, Inc. and subsidiaries (the "Company") as of July 31, 2010 and July 25, 2009, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended July 31, 2010. These financial statements are the responsibility of the Company'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. 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 Dycom Industries, Inc. and subsidiaries as of July 31, 2010 and July 25, 2009, and the results of their operations and their cash flows for each of the three years in the period ended July 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

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 July 31, 2010, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated September 2, 2010 expressed an unqualified opinion on the Company's internal control over financial reporting.

Deloitte & Touche LLP
Certified Public Accountants

Miami, Florida
September 2, 2010

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.

There have been no changes in or disagreements with accountants on accounting and financial disclosures within the meaning of Item 304 of Regulation S-K.

Item 9A. Controls and Procedures.

Disclosure 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 its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of July 31, 2010, the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of July 31, 2010, 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 that it files or submits under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms and (2) accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management of Dycom Industries, Inc. and subsidiaries is responsible for establishing and maintaining a system of internal control over financial reporting as defined in Rule 13a-15(f) and 15(d)-15(f) under the Securities Exchange Act of 1934. The Company's internal control system is designed to provide reasonable assurance that the reported financial information is presented fairly, that disclosures are adequate and that the judgments inherent in the preparation of financial statements are reasonable. There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and overriding of controls. Consequently, an effective internal control system can only provide reasonable, not absolute assurance, with respect to reporting financial information. Further, because of changes in conditions, effectiveness of internal control over financial reporting may vary over time.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of July 31, 2010.

The effectiveness of the Company's internal control over financial reporting as of July 31, 2010 has been audited by Deloitte & Touche LLP, the Company's independent registered public accounting firm. Their report, which is set forth in Part II, Item 9 of this Annual Report on Form 10-K, expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of July 31, 2010.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Dycom Industries, Inc.
Palm Beach Gardens, Florida

We have audited the internal control over financial reporting of Dycom Industries, Inc. and subsidiaries (the "Company") as of July 31, 2010, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. 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 July 31, 2010, based on the criteria established in Internal Control — Integrated Framework 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 as of and for the year ended July 31, 2010 of the Company and

our report dated September 2, 2010 expressed an unqualified opinion on those financial statements.

Deloitte & Touche LLP
Certified Public Accountants

Miami, Florida
September 2, 2010

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Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information concerning directors and nominees of the Registrant and other information as required by this item are hereby incorporated by reference from the Company's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A. The information set forth under the caption "Executive Officers of the Registrant" in Part I, Item 1 of this Annual Report on Form 10-K is incorporated herein by reference.

Code of Ethics

The Company has adopted a Code of Ethics for Senior Financial Officers which is a code of ethics as that term is defined in Item 406(b) of Regulation S-K and which applies to its Chief Executive Officer, Chief Financial Officer, Controller and other persons performing similar functions. The Code of Ethics for Senior Financial Officers is available on the Company's Internet website at www.dycomind.com. If the Company makes any substantive amendments to, or a waiver from, provisions of the Code of Ethics for Senior Financial Officers, it will disclose the nature of such amendment, or waiver, on that website or in a report on Form 8-K. Information on the Company's website is not deemed to be incorporated by reference into this Annual Report on Form 10-K.

Item 11. Executive Compensation.

The information required by Item 11 regarding executive compensation is included under the headings "Compensation Discussion and Analysis", "Compensation Committee Report" and "Compensation Committee Interlocks and Insider Participation" in the Company's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information concerning the ownership of certain of the Registrant's beneficial owners and management and related stockholder matters is hereby incorporated by reference to the Company's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A.

Item 13. Certain Relationships, Related Transactions and Director Independence.

Information concerning relationships and related transactions is hereby incorporated by reference to the Company's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A.

Item 14. Principal Accounting Fees and Services.

Information concerning principal accounting fees and services is hereby incorporated by reference to the Company's definitive proxy statement to be filed with the SEC pursuant to Regulation 14A.

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Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as a part of this report:

1. Consolidated financial statements:

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Consolidated balance sheets at July 31, 2010 and July 25, 2009	35
Consolidated statements of operations for the fiscal years ended July 31, 2010, July 25, 2009, and July 26, 2008	36
Consolidated statements of stockholders' equity for the fiscal years ended July 31, 2010, July 25, 2009, and July 26, 2008	37
Consolidated statements of cash flows for the fiscal years ended July 31, 2010, July 25, 2009, and July 26, 2008	38
Notes to the Consolidated Financial Statements	39
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2. Financial statement schedules:

All schedules have been omitted because they are inapplicable, not required, or the information is included in the above referenced consolidated financial statements or the notes thereto.

3. Exhibits furnished pursuant to the requirements of Form 10-K:

Exhibit number

3(i) Restated Articles of Incorporation of Dycom Industries, Inc. (incorporated by reference to Dycom Industries, Inc.'s Form 10-Q filed with the SEC on June 11, 2002).

3(ii) Amended and Restated By-laws of Dycom Industries, Inc., as amended on February 24, 2009 (incorporated by reference to Dycom Industries, Inc.'s Form 8-K, filed with the SEC on March 2, 2009).

4.2 Shareholder Rights Agreement, dated April 4, 2001, between Dycom Industries, Inc. and the rights Agent (which includes the Form of Rights Certificate, as Exhibit A, the Summary of Rights to Purchase Preferred Stock, as Exhibit B, and the Form of Articles of Amendment to the Articles of Incorporation for Series A Preferred Stock, as Exhibit C), (incorporated by reference to Dycom Industries, Inc.'s Form 8-A filed with the SEC on April 6, 2001).

4.3 Stockholders' Agreement, dated as of January 7, 2002, among Dycom Industries, Inc., Troy Acquisition Corp., Arguss Communications, Inc. and certain stockholders of Arguss Communications, Inc. (incorporated by reference to Dycom Industries, Inc.'s Registration Statement on Form S-4 (File No. 333-81268), filed with the SEC on January 23, 2002).

10.1* 1998 Incentive Stock Option Plan (incorporated by reference to Dycom Industries, Inc.'s Preliminary Proxy Statement filed with the SEC on September 30, 1999).

10.2* 1991 Incentive Stock Option Plan (incorporated by reference to Dycom Industries, Inc.'s Definitive Proxy Statement filed with the SEC on November 5, 1991).

10.3* 2003 Long-Term Incentive Plan, amended and restated effective as of October 1, 2008 (incorporated by reference to Dycom Industries, Inc.'s Form 8-K, filed with the SEC on October 30, 2008).

10.4* Restricted Stock Agreement between Steven E. Nielsen and Dycom Industries, Inc. dated as of November 25, 2003 (incorporated by reference to Dycom Industries, Inc.'s Form 10-Q filed with the SEC on March 9, 2004).

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10.5* Restricted Stock Agreement between Timothy R. Estes and Dycom Industries Inc. dated as of November 23, 2004 (incorporated by reference to Dycom Industries, Inc.'s Form 10-Q filed with the SEC on March 10, 2005).

10.6* Restricted Stock Agreement between Timothy R. Estes and Dycom Industries Inc. dated as of January 3, 2005 (incorporated by reference to Dycom Industries, Inc.'s Form 10-Q filed with the SEC on March 10, 2005).

10.7* Employment Agreement for Richard B. Vilsoet dated as of May 5, 2005 (incorporated by reference to Dycom Industries, Inc.'s Form 10-K filed with the SEC on September 9, 2005).

10.8 Indenture dated as of October 11, 2005, between Dycom Investments, Inc., Dycom Industries, Inc., certain subsidiaries of Dycom Industries, Inc., as guarantors, and Wachovia Bank, National Association, as trustee (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on October 25, 2005).

10.9* Form of Restricted Stock Award Agreement and Performance-Based Restricted Stock Award agreement for Richard L. Dunn, Richard B. Vilsoet, and H. Andrew DeFerrari (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on December 20, 2005).

10.10* Employment Agreement for H. Andrew DeFerrari dated as of July 14, 2004 (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on January 23, 2006).

10.11* Form of Performance-Based Restricted Stock Award Agreement for Steven E. Nielsen and Timothy R. Estes (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on February 1, 2006).

10.12* Amendment to the Employment Agreement of H. Andrew DeFerrari dated as of August 25, 2006 (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on August 31, 2006).

10.13* Form of Performance Share Unit Agreement for Steven E. Nielsen and Timothy R. Estes (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on October 23, 2006).

10.14* Form of Directors Restricted Stock Unit Agreement (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on December 19, 2006).

10.15* 2007 Non-Employee Directors Equity Plan (incorporated by reference to Dycom Industries, Inc.'s Definitive Proxy Statement filed with the SEC on October 29, 2007).

10.16* Employment Agreement for Steven E. Nielsen dated as of May 15, 2008 (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on May 21, 2008).

10.17 Credit Agreement dated as of September 12, 2008 by and among Dycom Industries, Inc. and Wachovia Bank, National Association, as Administrative Agent for the Lenders and Bank of America, N.A., as Syndication Agent (incorporated by reference to Dycom Industries, Inc.'s Form 10-Q filed with the SEC on November 26, 2008).

10.18* Employment Agreement for Timothy R. Estes dated as of November 25, 2008 (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on December 2, 2008).

10.19 First Amendment to the Credit Agreement dated as of September 12, 2008 with Wachovia Bank, National Association, as Administrative Agent, Bank of America, N.A., as Syndication Agent, Branch Banking and Trust Company and RBS Citizens, N.A., as Co-Documentation Agents and Wachovia Capital Markets LLC and Bank of America Securities, LLC, as joint lead arrangers and joint book runners, and certain other lenders from time to time party thereto (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on April 15, 2009).

10.20 2009 Annual Incentive Plan (incorporated by reference to Dycom Industries, Inc.'s Definitive Proxy Statement filed with the SEC on October 30, 2008).

10.21* Form of Indemnification Agreement for directors and executive officers of Dycom Industries, Inc. (incorporated by reference to Dycom Industries, Inc.'s Form 10-K filed with the SEC on September 3, 2009).

10.22* Amendment to the Employment Agreements of H. Andrew DeFerrari and Richard B. Vilsoet dated as of May 28, 2010 (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on May 28, 2010).

10.23 Credit Agreement dated June 4, 2010 by and among Dycom Industries, Inc. and Bank of America, N.A., as Administrative Agent, Swingline Lender and L/C Issuer, Banc of America Securities LLC and Wells Fargo Securities, LLC, as Joint Lead Arrangers and Joint Book Managers, Wells Fargo Bank, National Association, as Syndication Agent, and Branch Banking and Trust Company, RBS Citizens, N.A. and PNC Bank, National Association, as Co-Documentation Agents. (incorporated by reference to Dycom Industries, Inc.'s Form 8-K filed with the SEC on June 9, 2010).

21.1+ Principal subsidiaries of Dycom Industries, Inc.

23.1+ Consent of Independent Registered Public Accounting Firm.

31.1+ Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2+ Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

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.

32.2+ 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.

*Indicates a management contract or compensatory plan or arrangement.
+ Filed herewith

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SIGNATURES

Pursuant to the requirements 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.

DYCOM INDUSTRIES, INC.
Registrant

Date: September 2, 2010

/s/ Steven E. Nielsen
Name: Steven E. Nielsen
Title: President and 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 and on the dates indicated.

Name	Position	Date
/s/ Steven E. Nielsen Steven E. Nielsen	Chairman of the Board of Directors and Chief Executive Officer	September 2, 2010
/s/ H. Andrew DeFerrari H. Andrew DeFerrari	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	September 2, 2010
/s/ Thomas G. Baxter Thomas G. Baxter	Director	September 2, 2010
/s/ Charles M. Brennan, III Charles M. Brennan, III	Director	September 2, 2010
/s/ James A. Chiddix James A. Chiddix	Director	September 2, 2010
/s/ Charles B. Coe Charles B. Coe	Director	September 2, 2010
/s/ Stephen C. Coley Stephen C. Coley	Director	September 2, 2010
/s/ Patricia L. Higgins Patricia L. Higgins	Director	September 2, 2010