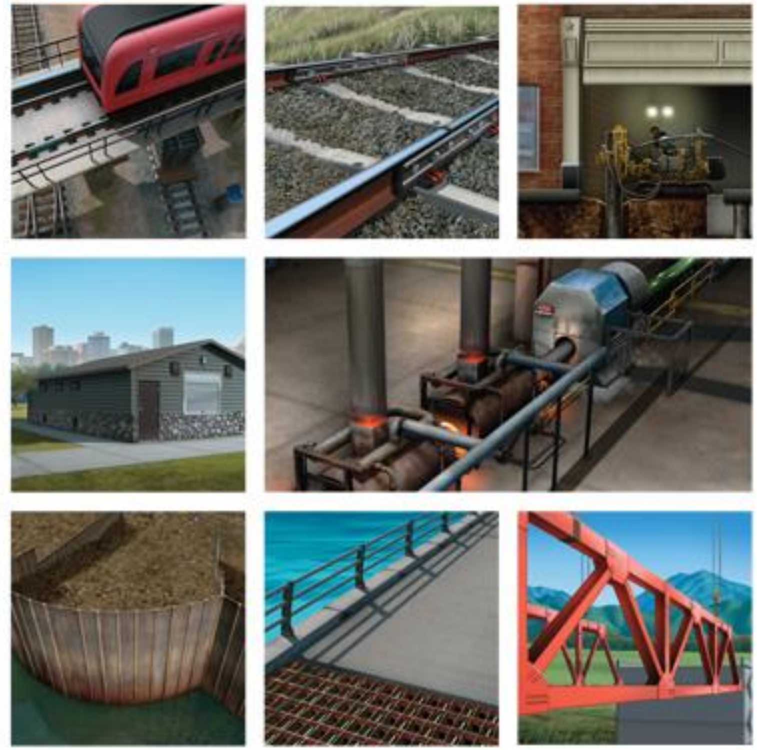
LBFoster

www.lbfoster.com

RAIL PRODUCTS

TUBULAR PRODUCTS



CONSTRUCTION PRODUCTS

Investor Presentation

D.A. Davidson & Co.
13th Annual E&C Conference
September 2014

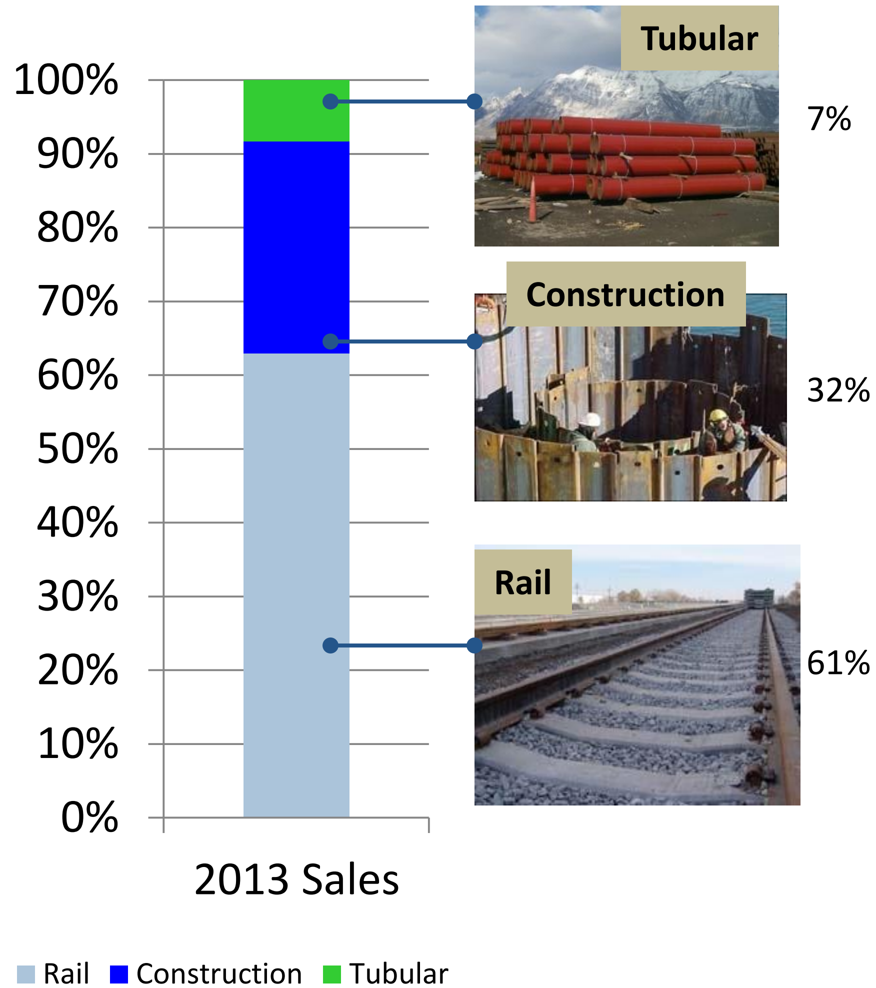
Safe Harbor Statement

This presentation and oral statements regarding the subject matter may contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. We caution you that such statements involve risks, uncertainties and assumptions which could cause actual results to differ materially from those expressed or implied in such statements. Potential risks and uncertainties include, but are not limited to, the impact of economic, competitive, regulatory, political and other risks and uncertainties including, the strength of the markets where the Company participates, changes in the cost and availability of raw materials and other products purchased for resale, a lack of state or federal funding for infrastructure projects, the ultimate number of concrete ties that will be replaced pursuant to product warranty claims and an overall resolution of the related contract claims, the impact of acquisitions and other strategic investments risks inherent in litigation and those matters set forth in Item 8, Footnote 20, "Commitments and Contingent Liabilities" and in Item 1A, "Risk Factors" of the Company's Form 10-K for the year ended December 31, 2013, and reports on Form 10-Q thereafter.

L.B. Foster Company assumes no obligation to update or revise any forward-looking information to reflect actual results, changes in assumptions or other factors affecting forward-looking information, except as required by law.

Company Overview

- Company started in 1902
- Corporate HQ – Pittsburgh, PA
  - 24 Sales Offices
  - 20 Yards or Manufacturing Facilities
  - Operations in the United States, Canada and the United Kingdom with a global network of distributors and partners
- Businesses with strong market positions
- Healthy balance sheet with strong cash position and minimal debt
- Increasing mix of product / manufacturing business versus distribution business
  - Focusing on new products, innovation and technology



What Drives Our Business

- Infrastructure for Transportation
  - Rail transportation (freight & transit)
  - Ports for import and export
  - Highway construction
  - Bridges
- Infrastructure for Energy
  - Gas pipelines (primarily Midstream)
  - Transport of raw materials
  - Oil & Gas tubular products
  - Little exploration and production

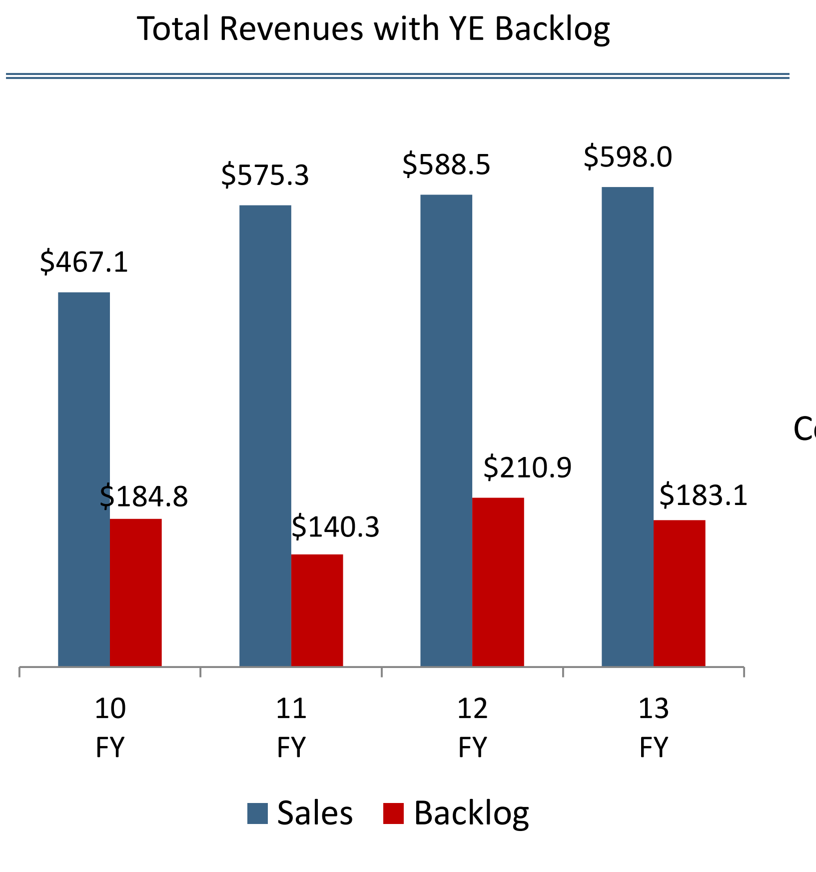
Favorable industry outlook with continued investment

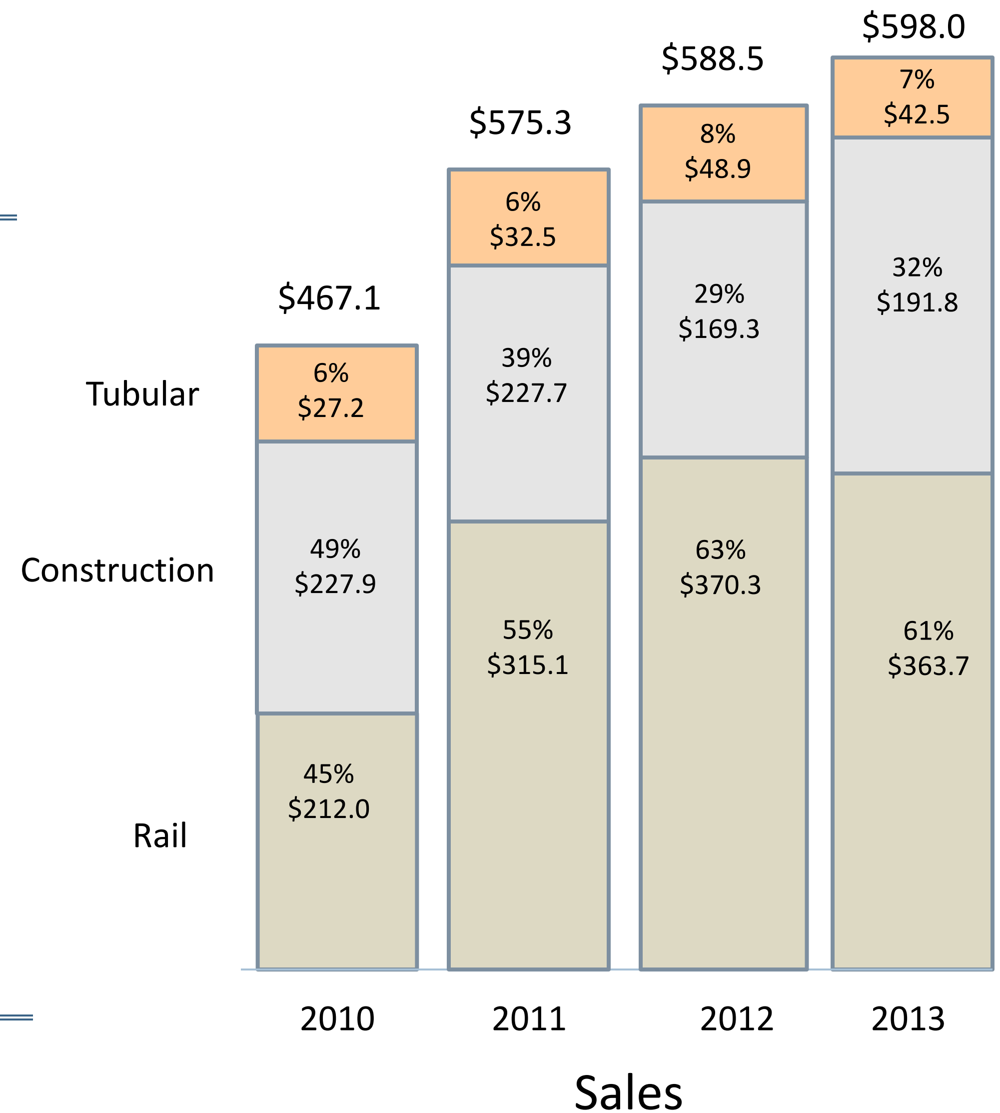
Track Infrastructure

Panama Canal Project

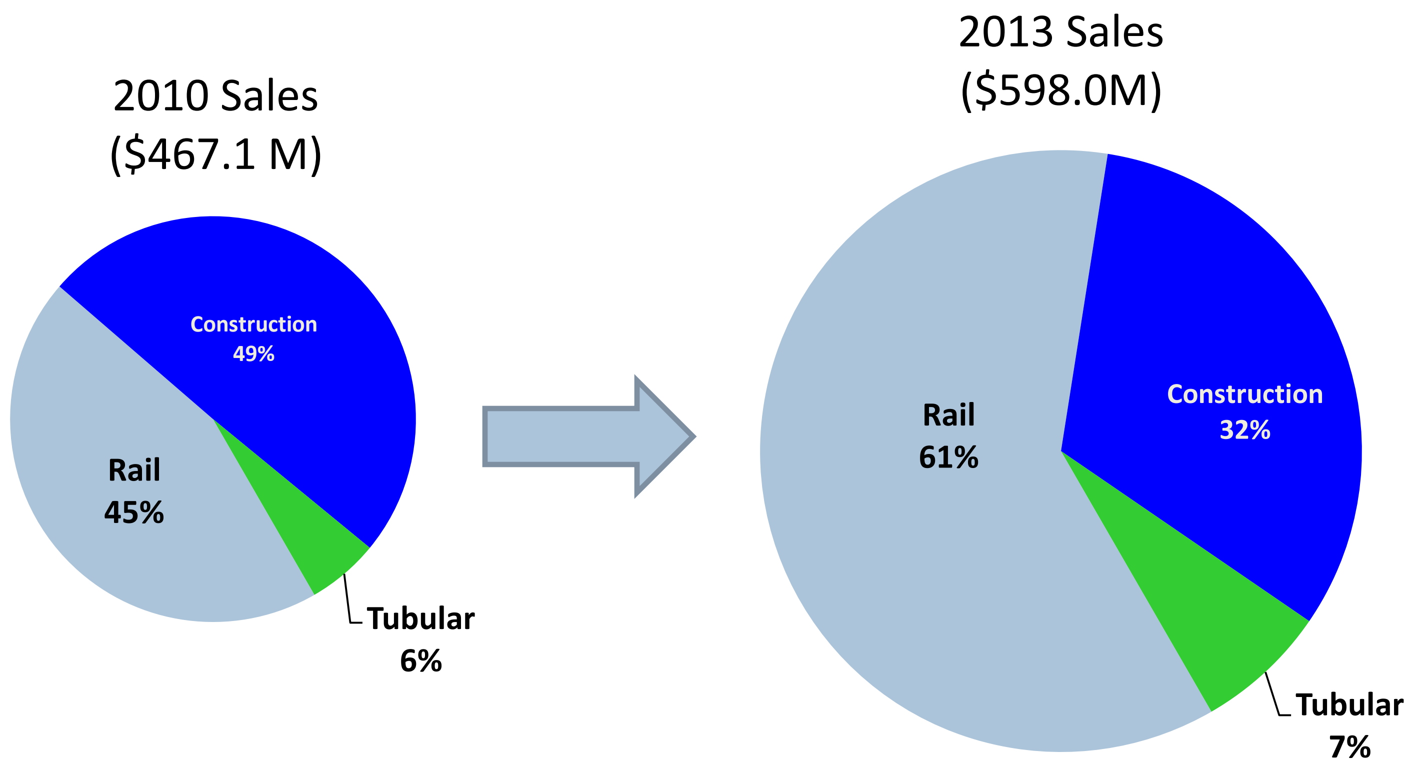
Gas Transport

L.B. Foster Performance History ($M)





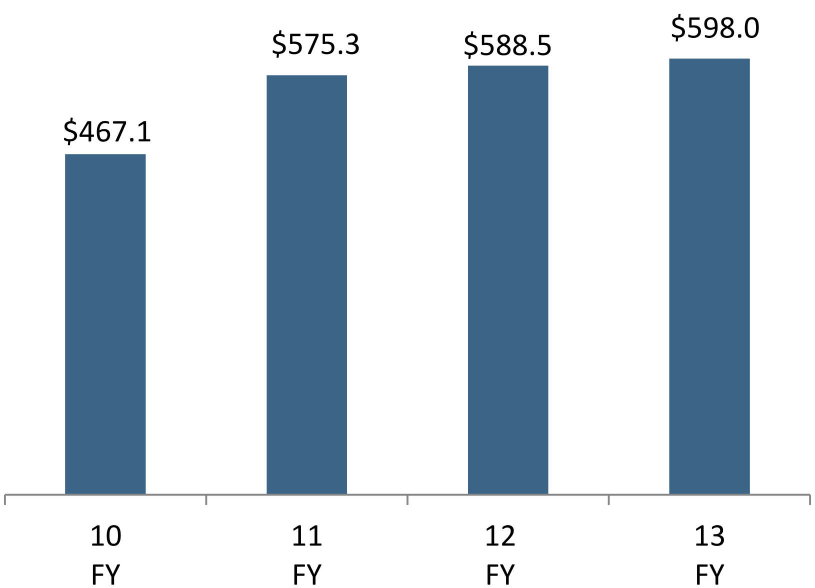
Segment Sales Profile



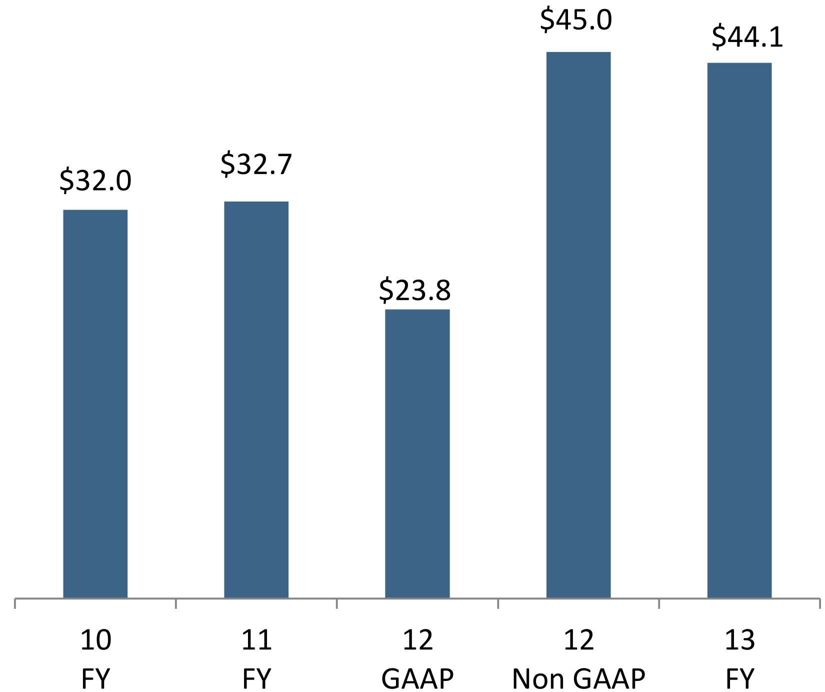
Destination	2010	2013
USA	95%	83%
Outside USA	5%	17%

L.B. Foster Performance History ($M)

Sales



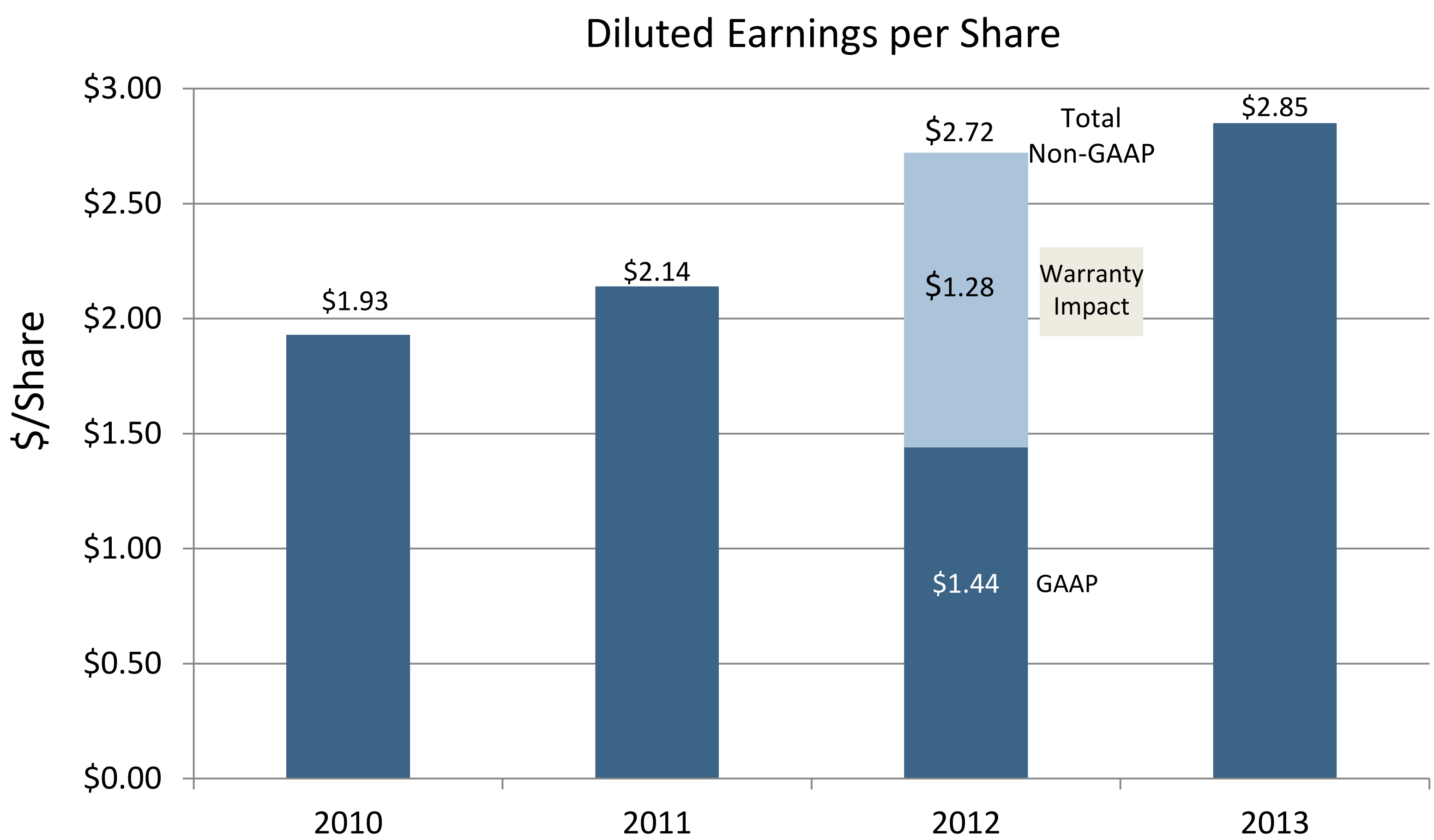
Pre-Tax Income



Y-O-Y Delta			
2010	2011	2012	2013
19.1%	23.2%	2.3%	1.6%

Pre-tax Income % Sales				
2010	2011	2012 GAAP	2012 Non-GAAP	2013
6.8%	5.7%	4.0%	7.6%	7.4%

EPS Growth History



Shareholder Value Model

Growth Above Market

- New Products
- Technology investments
- Expand served market
- Enter adjacent markets
- Customer Loyalty

Increased Profitability

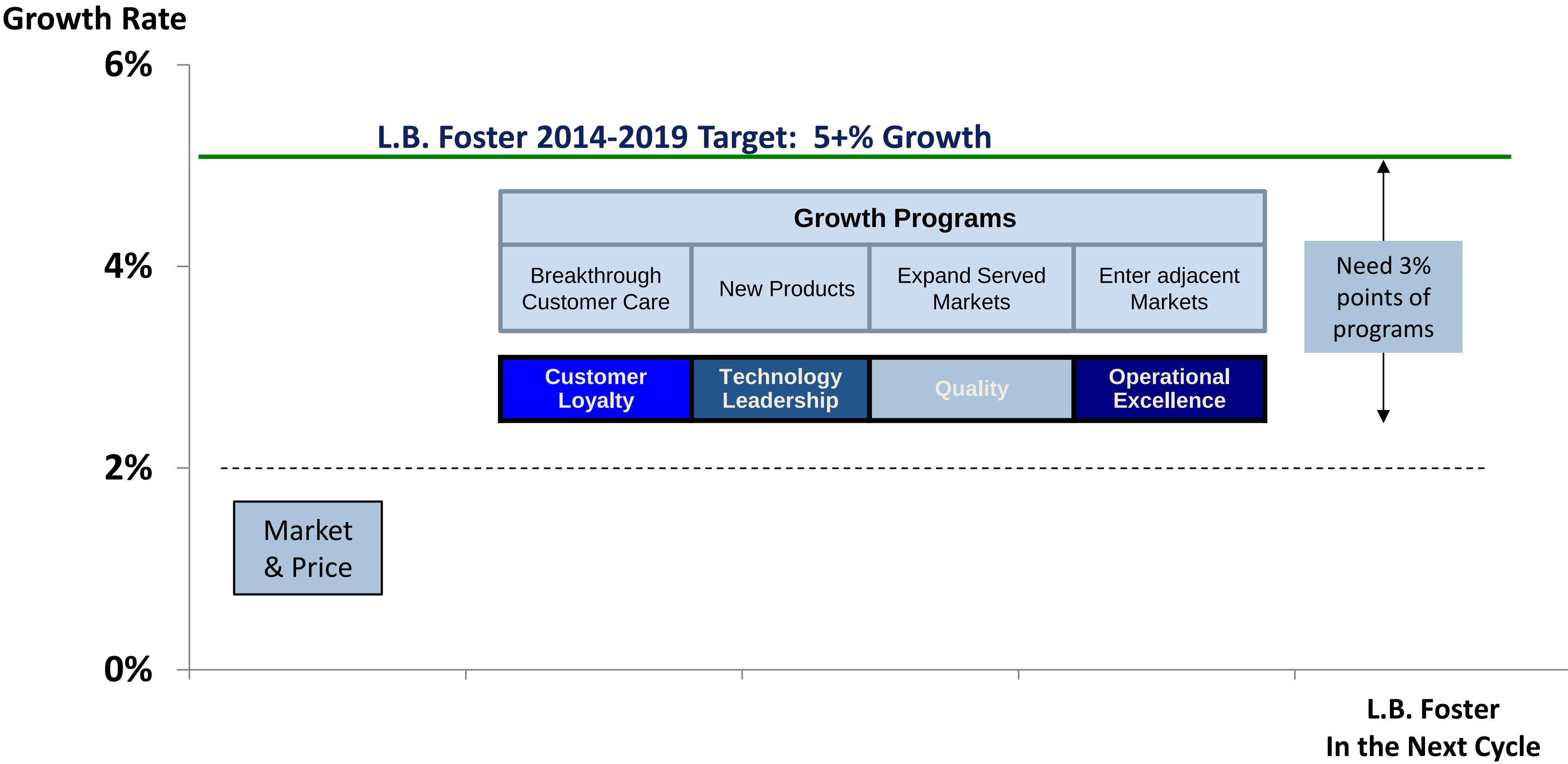
- Profit plans focus on:
  - Productivity
  - Cost reduction
- L.B. Foster Continuous Improvement Process
- Target profitable markets
- Acquisition focus

Cash Flow Management & Acquisitions

- Working Capital Efficiency (TWC<18%)
  - Inventory
  - Receivables
  - Payables
- Capital spending balanced with cash for acquisitions
- Higher margin acquisitions

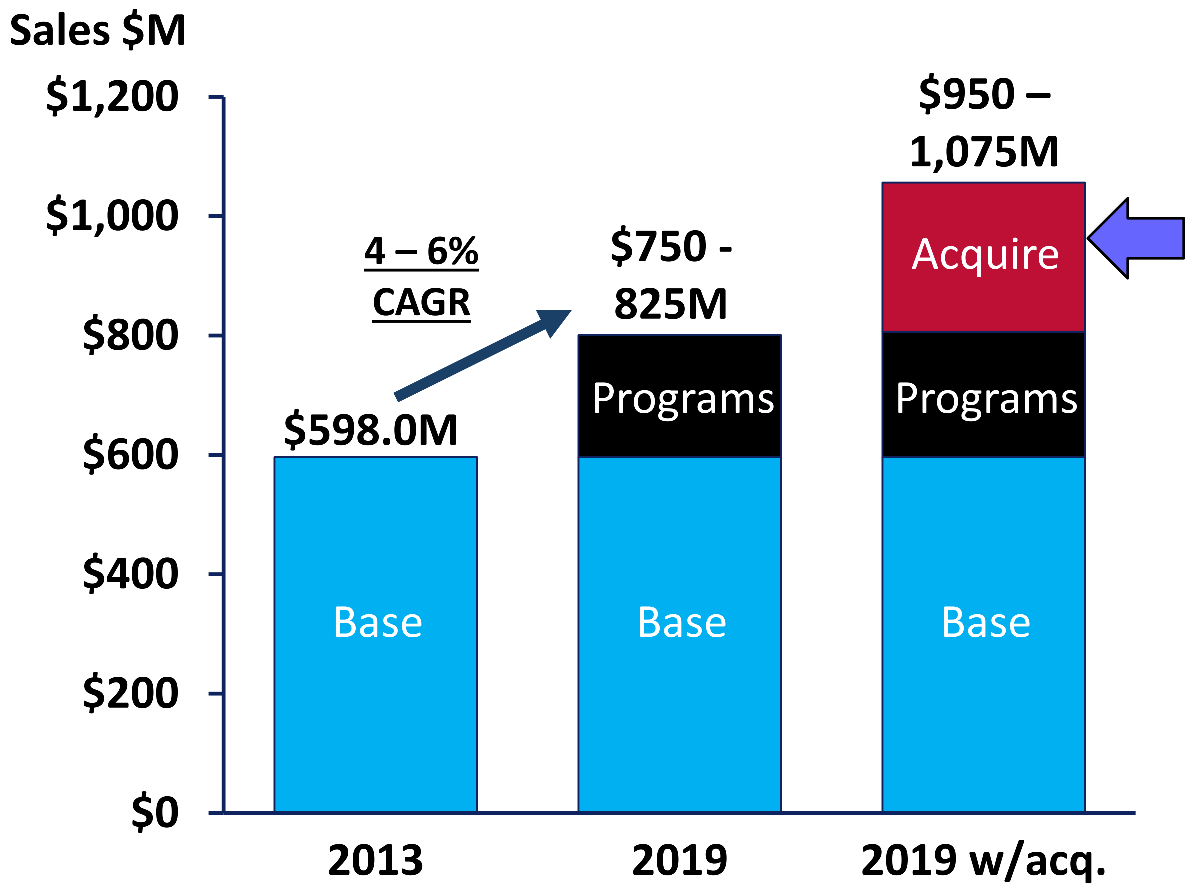
These three themes are expected to expand margins and drive cash flow to result in acceptable return on capital and more aggressive EPS growth

Achieve Above Market Sales



- Shifting emphasis to faster growing markets
- Expanding served markets and entering adjacent markets to achieve above market growth rates

Business Growth Plans



1. More aggressive acquisition approach
2. Requires more than "bolt-on" acquisitions
3. Clear potential for double digit growth
4. Numerous programs underway to fuel 3-5% base company growth.

Adding $200M to $250M in sales through acquisitions

Acquisition Filter

High Growth Potential

- ✓ 2-4% Market growth
- ✓ Internal growth potential for 4 - 6% total

LBF Target: 6%+

EPS Growth & Profit Mix

- ✓ Margin expansion potential
- ✓ 8 - 12%+ Pre-Tax

LBF Target: 9%+

Cash Flow

- ✓ 5% - 10% of Sales

LBF Target: 8-9%

ROIC

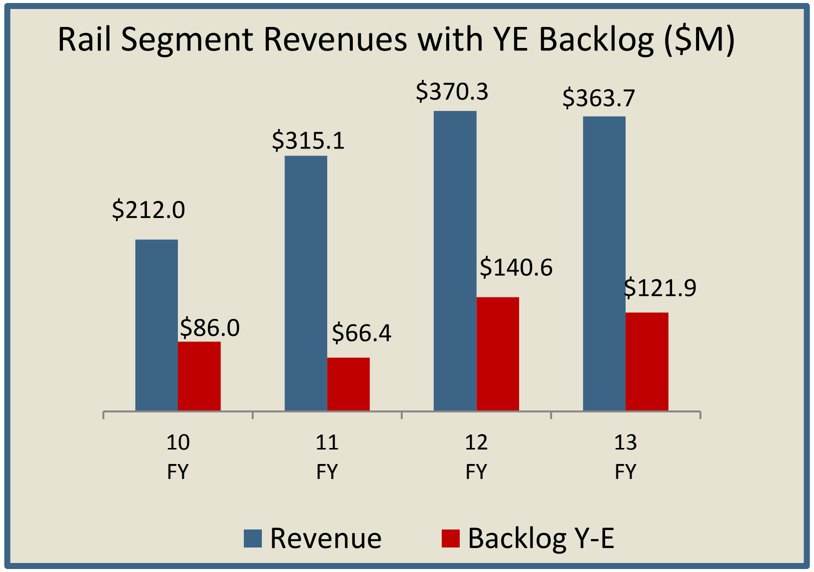
- ✓ Low working capital & capex
- ✓ ROIC: 15 - 25+%

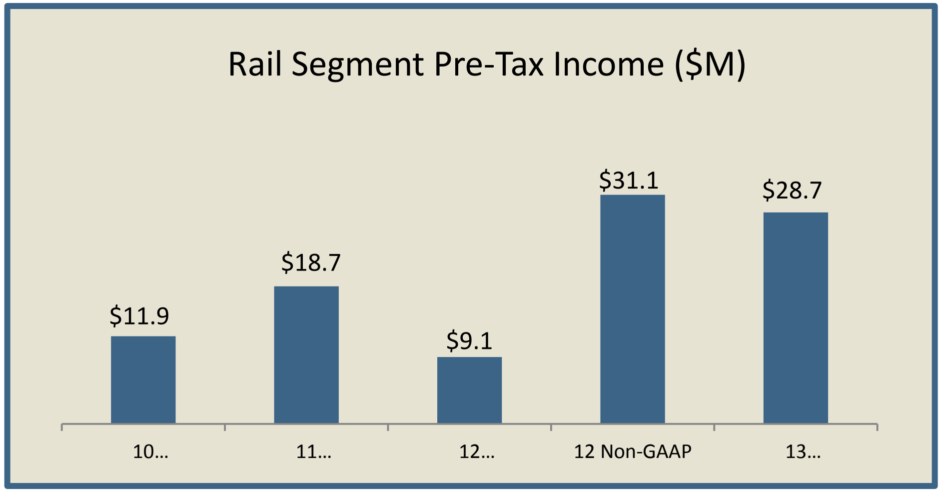
LBF Target: 14-16%

Aiming for accretive companies at the high end of our range

Rail Business

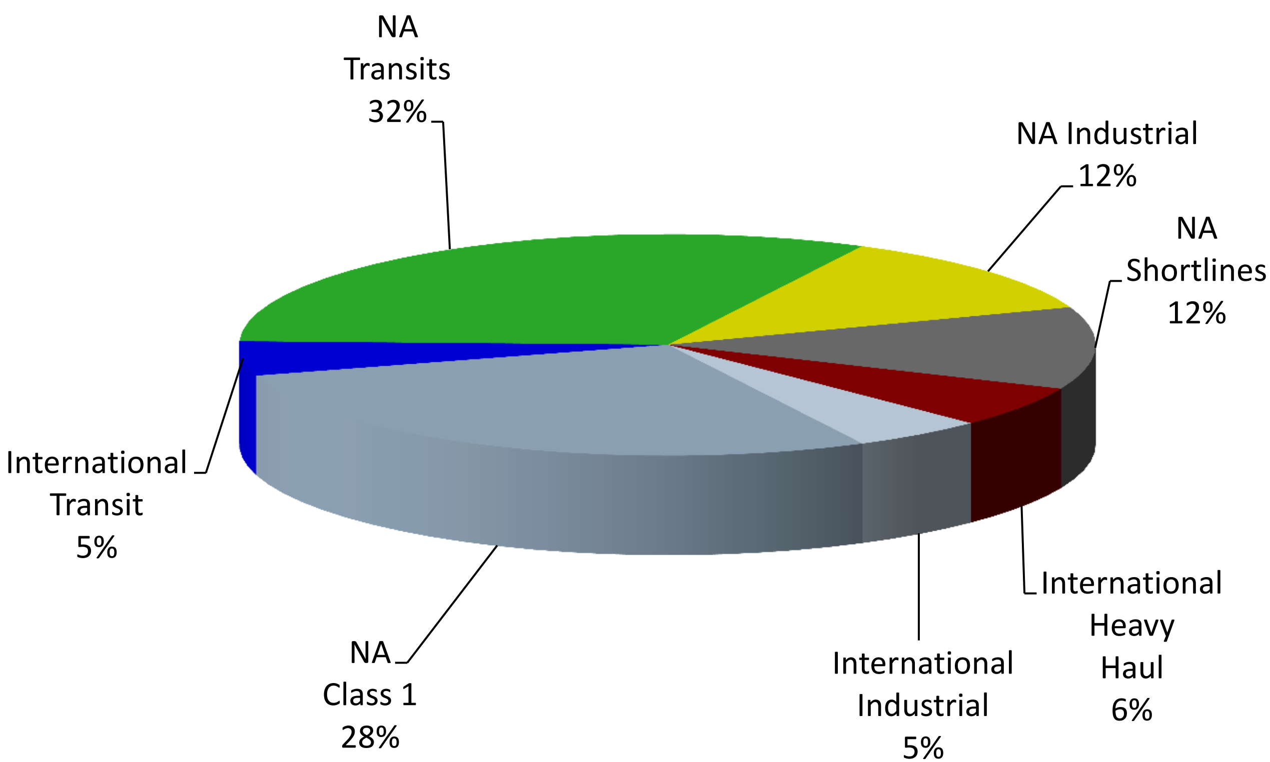
- 2013 record year for Transit Products
- Continued growth in Friction Management and Allegheny Rail Products
- Growth offset by declines in Concrete Ties and Rail Distribution
- Profitability and cash generating potential remain solid





Pre-tax Income % Sales				
2010	2011	2012 GAAP	2012 Non-GAAP	2013
5.6%	5.9%	2.5%	8.4%	7.9%

Rail Sales by Market - 2013



- Broad range of solutions with exposure to all market segments
- Customer loyalty ratings reflect years of strong service levels

Rail Market Segmentation

Design, Products & Maintenance of core infrastructure

Products & Services that Improve Performance & Cost

Significant Presence

Core Track Infrastructure (Products)

✓ Basic infrastructure to run the network

Network Performance (Products)

✓ Improving operating efficiency, velocity & safety

Essential to operations

More difficult to justify return

Maintain Core Infrastructure (Equipment & Services)

✓ Aftermarket or service type business models

Network Performance (Services)

✓ Analyze, diagnose and resolve performance related issues

Growth Opportunity

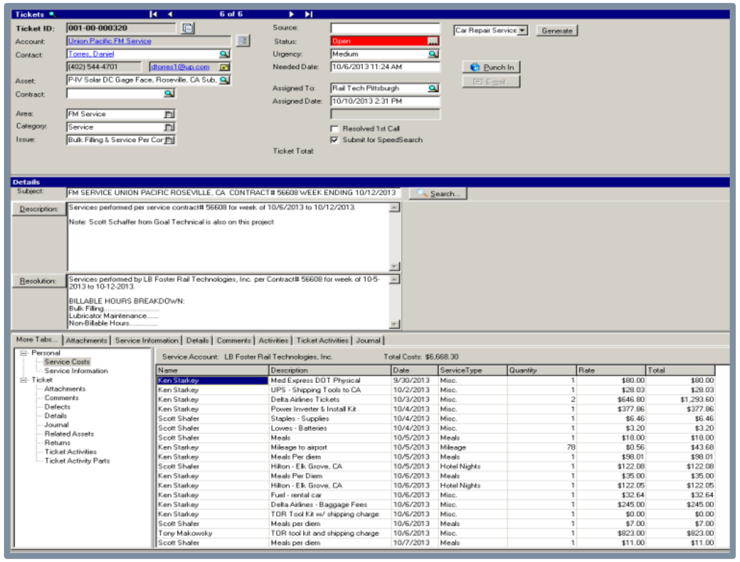
Rail Technologies – Field Service

Wayside Friction Management Refilling

Bulk Service Trucks

Bulk Filling Truck with Knuckle Boom Crane and Squeezer System

- Service focuses on replenishment of consumable friction modifiers, equipment repairs and performance, and sales of replacement parts.
- Friction management reduces wear, improves fuel efficiency and can extend the life of assets (rail and wheels)
- After market growing as installed equipment grows



Tickets — 6 of 6

Ticket ID: 001-00-000320
Account: Union Pacific FM Service
Contact: Torres, Daniel
(402) 544-4701 dtorres1@up.com
Asset: P-IV Solar DC Gage Face, Roseville, CA Sub,
Contract:
Area: FM Service
Category: Service
Issue: Bulk Filling & Service Per Cor

Source:
Status: Open
Urgency: Medium
Needed Date: 10/6/2013 11:24 AM
Assigned To: Rail Tech Pittsburgh
Assigned Date: 10/10/2013 2:31 PM
Resolved 1st Call
Submit for SpeedSearch
Ticket Total:

Car Repair Service | Generate | Punch In | E-mail...

Details

Subject: FM SERVICE UNION PACIFIC ROSEVILLE, CA CONTRACT# 56608 WEEK ENDING 10/12/2013 | Search...

Description: Services performed per service contract# 56608 for week of 10/6/2013 to 10/12/2013.

Note: Scott Schaffer from Goal Technical is also on this project

Resolution: Services performed by LB Foster Rail Technologies, Inc. per Contract# 56608 for week of 10-5-2013 to 10-12-2013.

BILLABLE HOURS BREAKDOWN:
Bulk Filling............................
Lubricator Maintenance......
Non-Billable Hours..............

More Tabs... | Attachments | Service Information | Details | Comments | Activities | Ticket Activities | Journal

Personal
- Service Costs
- Service Information

Ticket
- Attachments
- Comments
- Defects
- Details
- Journal
- Related Assets
- Returns
- Ticket Activities
- Ticket Activity Parts

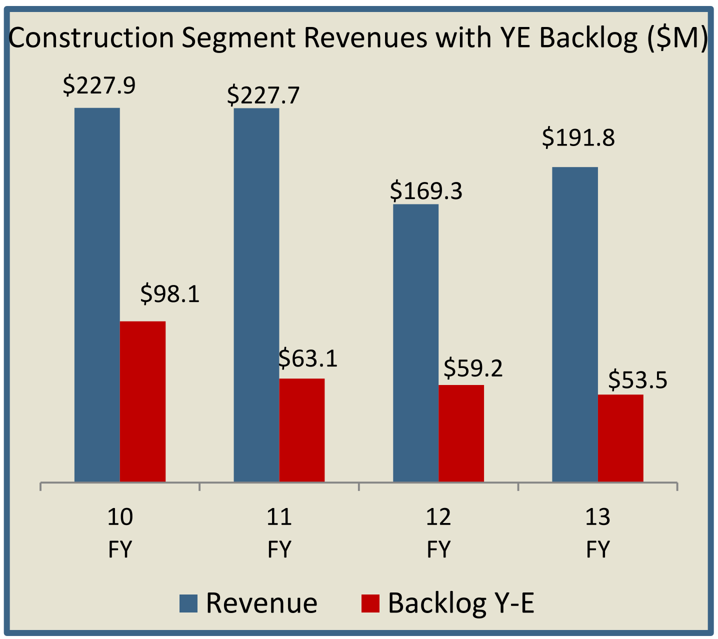
Service Account: LB Foster Rail Technologies, Inc. Total Costs: $6,668.30

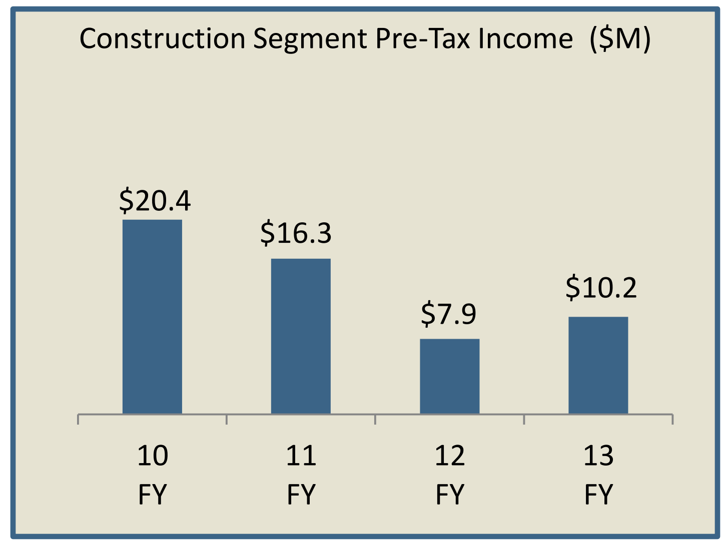
Name	Description	Date	ServiceType	Quantity	Rate	Total
Ken Starkey	Med Express DOT Physical	9/30/2013	Misc.	1	$80.00	$80.00
Ken Starkey	UPS - Shipping Tools to CA	10/2/2013	Misc.	1	$28.03	$28.03
Ken Starkey	Delta Airlines Tickets	10/3/2013	Misc.	2	$646.80	$1,293.60
Ken Starkey	Power Inverter & Install Kit	10/4/2013	Misc.	1	$377.86	$377.86
Scott Shafer	Staples - Supplies	10/4/2013	Misc.	1	$6.46	$6.46
Scott Shafer	Lowes - Batteries	10/4/2013	Misc.	1	$3.20	$3.20
Scott Shafer	Meals	10/5/2013	Meals	1	$18.00	$18.00
Ken Starkey	Mileage to airport	10/5/2013	Mileage	78	$0.56	$43.68
Ken Starkey	Meals Per diem	10/5/2013	Meals	1	$98.01	$98.01
Scott Shafer	Hilton - Elk Grove, CA	10/5/2013	Hotel Nights	1	$122.08	$122.08
Ken Starkey	Meals Per Diem	10/6/2013	Meals	1	$35.00	$35.00
Ken Starkey	Hilton - Elk Grove, CA	10/6/2013	Hotel Nights	1	$122.05	$122.05
Ken Starkey	Fuel - rental car	10/6/2013	Misc.	1	$32.64	$32.64
Ken Starkey	Delta Airlines - Baggage Fees	10/6/2013	Misc.	1	$245.00	$245.00
Ken Starkey	TOR Tool Kit w/ shipping charge	10/6/2013	Misc.	1	$0.00	$0.00
Scott Shafer	Meals per diem	10/6/2013	Meals	1	$7.00	$7.00
Tony Makowsky	TOR tool kit and shipping charge	10/6/2013	Misc.	1	$823.00	$823.00
Scott Shafer	Meals per diem	10/7/2013	Meals	1	$11.00	$11.00

CRM Service Ticket

Construction Markets

- Construction markets affecting Piling products gain strength in 2013
- First half 2014 results impacted by harsh weather and supply chain issues
- Fabricated Bridge business strong in 2014, on pace for record year
- Pretax profit and margins restored as sales volume improves





Pre-tax Income % Sales			
2010	2011	2012	2013
8.9%	7.2%	4.6%	5.3%

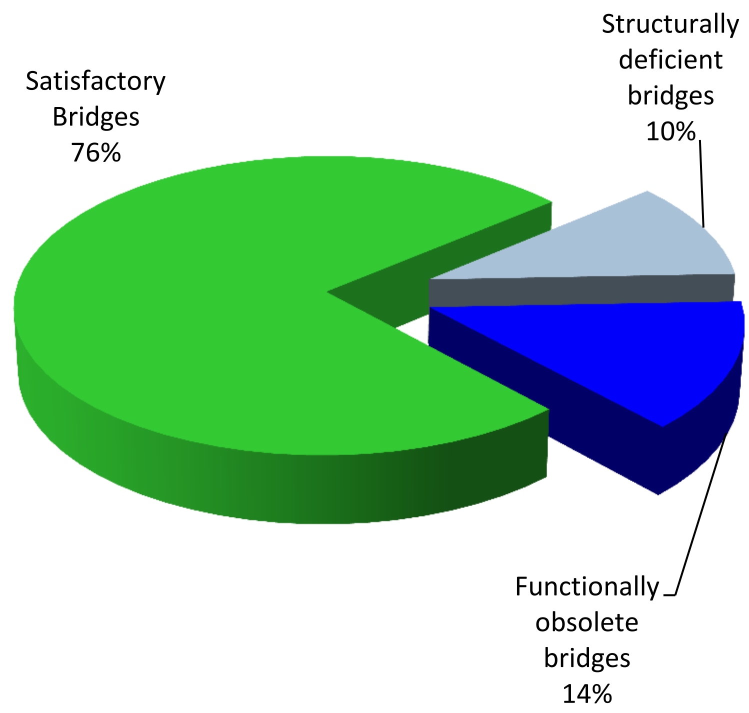
Bridge Market - 2013

<u>Current Industry Assessment</u>

- Inventory of Functionally obsolete / structurally deficient bridges continues to slowly decline -- 1.5% / yr. decrease over past decade
- Almost 150,000 US bridges are structurally deficient or obsolete

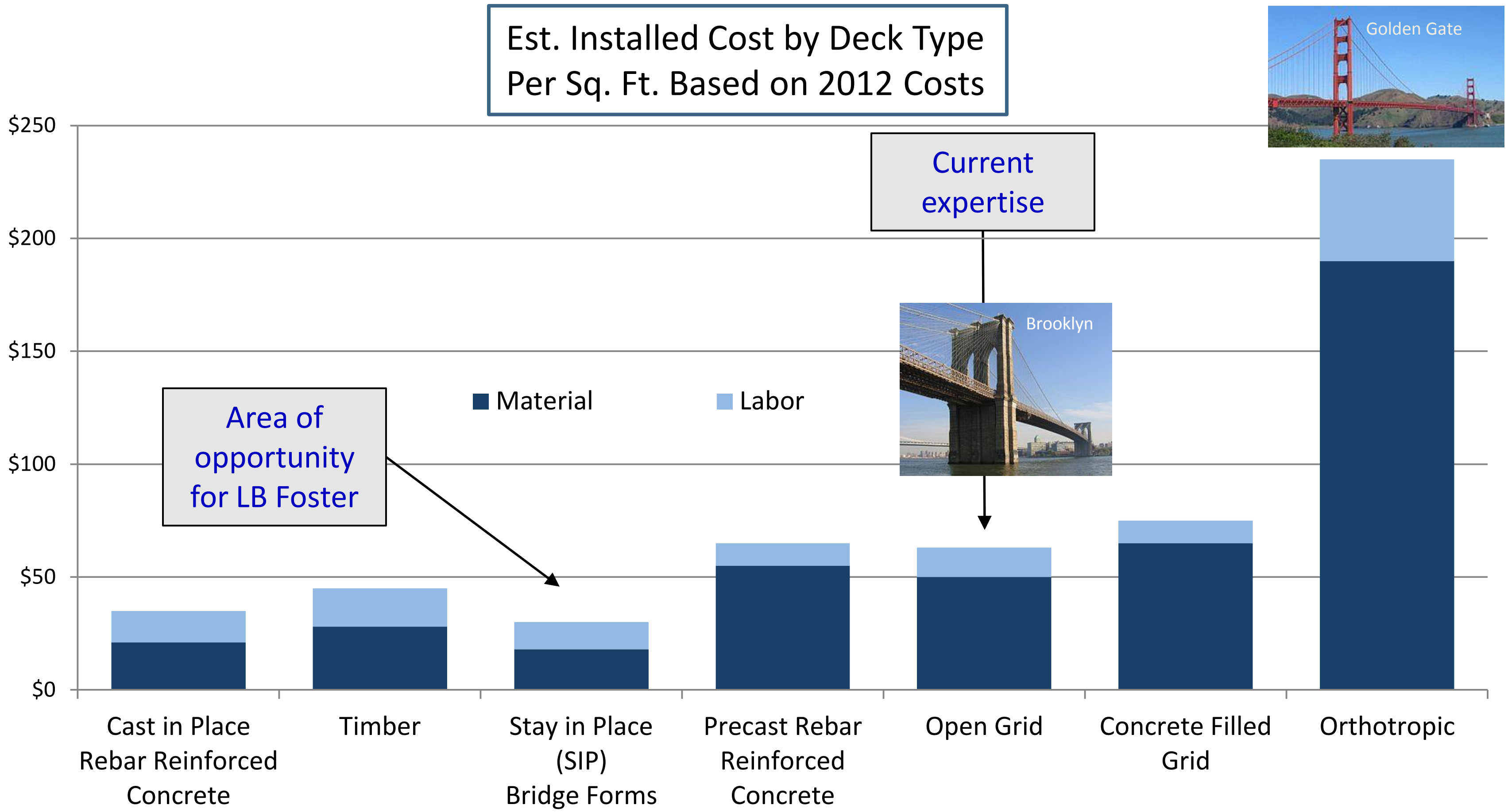
$29.0 billion Annual Market Need

U.S. Bridge Inventory 2013



With 24% of installed bridges needing attention, market has years of potential

Bridge Market – Cost and Design Trade Off



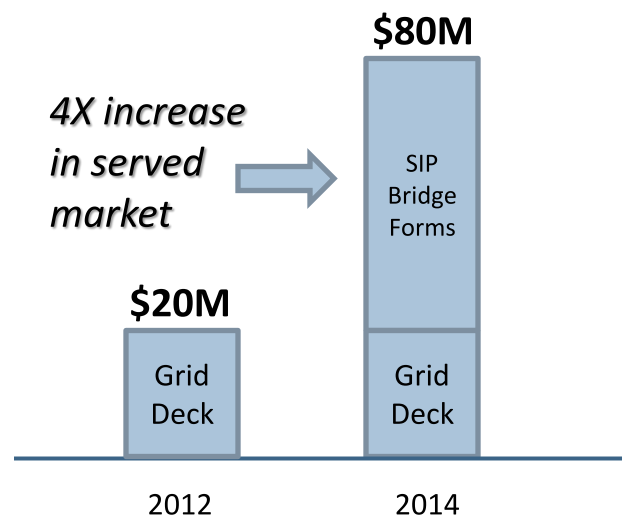
61.8%	1.0%	23.0%	11.0%	1.0%	2.0%	0.2%

Approximate percent of each type in service

Bridge Market Growth Opportunity

- $50-60M market with northeast concentration
- Market void with two companies exiting the market

Addressable Market



- Adjacent market to our core steel grid deck
  - Steel grid deck represents $15-$20M of the total bridge market
  - Stay in Place Bridge Forms represent $50-$60M of the bridge market

Piling Customer Service

New Midwest Service Center

- Pull 16 outside stocking locations into three full service LB Foster run distribution centers

  - East — Petersburg, VA -Gerdau
  - West — Chowchilla, CA
  - Midwest — NEW — Chicago – Seneca, IL

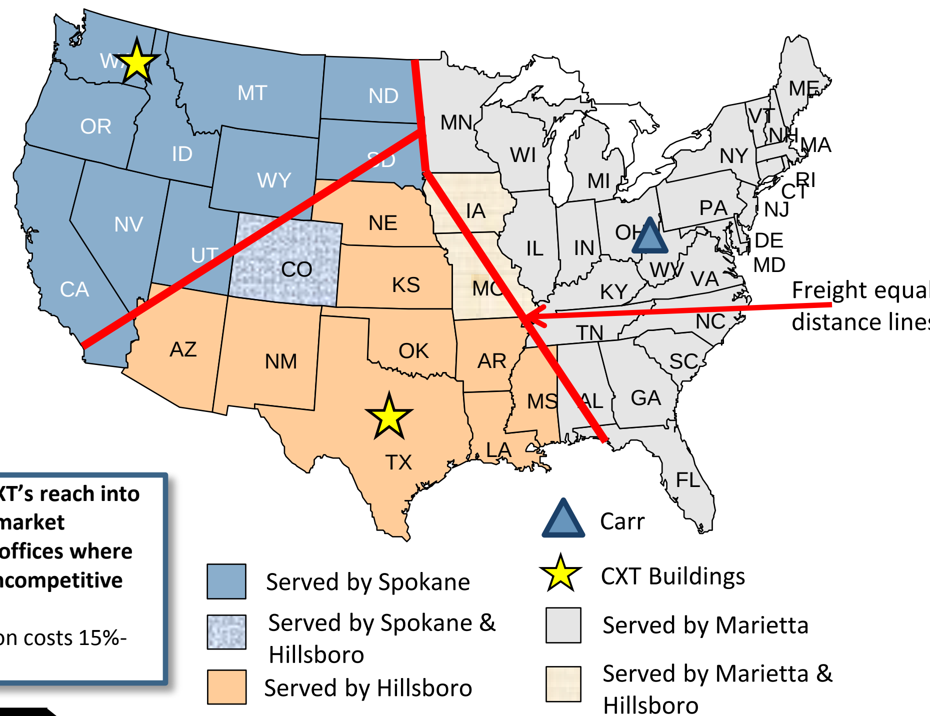
Customer Service!

Improve Service and Margins

- LBF managed profitable rental business (GP 30%)
- Increased H-Beam focus in key construction market
- Increased Pipe Piling and fabricated services
- Access profitable small to medium size orders

CXT® Concrete Buildings

- 2013 positive growth despite sequestration cuts in Q1
- Increasing success in Canada
- Started up turnkey services in 2013
- Opportunities exist in turnkey construction services and expanding into un-served territories
- Acquired Carr Concrete in July 2014



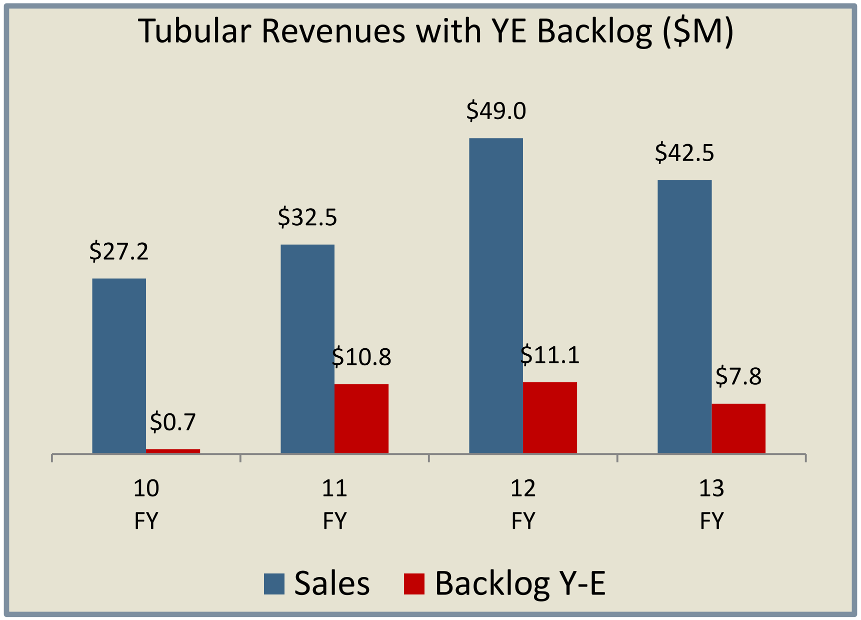
- **Carr extends CXT's reach into the east coast market**
- **Leverage sales offices where L.B. Foster is uncompetitive on price**
  - Transportation costs 15%-30% of total

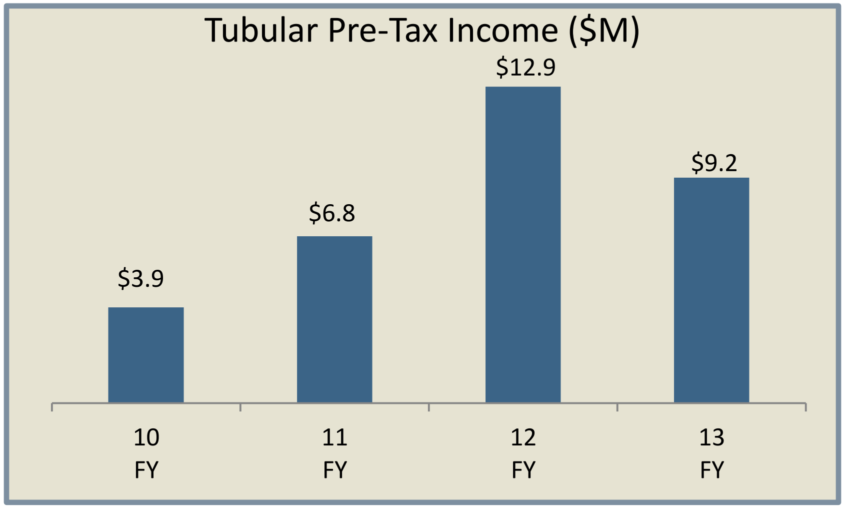
Carr Concrete a Division of CXT, Inc.

Diversified line of concrete products

Tubular Products – Energy and Utility Industries

- Threaded Products continues to grow in size and contribution
- Coated Products order patterns change in early 2013 after several quarters of rapid growth
  - ➢ Backlog beginning to build again
- Ball Winch (specialty coatings) acquired in November 2013





Pre-tax Income % Sales			
2010	2011	2012	2013
14.5%	21.0%	26.3%	21.6%

Threaded Products

- Three years of steady growth and contribution
- Drought conditions help drive demand in Ag market
- New facility in Magnolia, TX performing exceptionally well

- Joint Venture – LB Pipe & Coupling
  - 45% ownership interest
  - Manufactures pipe couplings
  - Located on same Magnolia, TX property

Excellent short delivery time business model

Coated Products Expanding Capabilities

2012

- ✓ Up to 24” line pipe
- ✓ Largely outside diameter coated

2014

- ✓ Up to 48” line pipe in small quantity
- ✓ Greater inside diameter coatings
- ✓ Quick delivery business model for custom pieces
- ✓ Begin field service fleet

2016 Expectations

- ✓ Much expanded field service fleet

$50 Million market opportunity

Planned Capital Spending in 2014

Key Projects
Birmingham – Efficiency and capacity program with new induction heating technology
Midwest Service Center – 3rd US Service Center necessary to serve strong Piling market region
Bridge Form Business – Roll forming equipment for competitive cost position
Columbia City Rail Yard – Track / loading upgrade / maintenance
Ball Winch – Field service fleet for field joint coating business
Niles OH: Multi-product facility plan

2014 Capital Spend Range = $18M – $22M

Increasing capital spending to support growth programs and drive efficiency / cost reductions

Appendix

- Financial Review
- Non-GAAP Reconciliations

Financial Summary (Continuing Operations Only)

($ - in millions except EPS)	2010		2011		GAAP 2012		Non-GAAP 2012		2013	
Sales	$467.1		$575.3		$588.5		$588.5		$598.0	
Gross Profit	72.9	15.6%	98.4	17.1%	92.3	15.7%	114.3	19.4%	115.9	19.4%
Pretax Income	32.0	6.8%	32.7	5.7%	23.8	4.0%	45.0	7.6%	44.1	7.4%
Net Income	$20.0	4.3%	$22.1	3.8%	$14.8	2.5%	$27.9	4.7%	$29.3	4.9%
Diluted EPS	$1.93		$2.14		$1.44		$2.72		$2.85	
Operating Cash Flow	$56.1		$31.6		$27.0		N/A		$13.9	

Notes:

1. 2011 results include $7.0 million pre-tax charges related to concrete tie warranties and $2.5 million of one-time purchase accounting adjustments related to the Portec Rail Products acquisition, which closed in December 2010.
2. 2012 Non-GAAP results exclude $21.2 million of pre-tax charges related to concrete tie warranties.

YTD June 2014 vs. YTD June 2013 (Unaudited)

($ - in millions except EPS)	6 months 2014 (1) $	6 months 2014 (1) %	6 months 2013 $	6 months 2013 %	Delta $	Delta %
Sales	$ 278.2		$ 279.3		$ (1.1)	(0.4%)
Gross Profit	54.8	19.7%	54.0	19.3%	(0.8)	(1.5%)
SG&A	37.6	13.5%	35.1	12.6%	2.5	7.1%
PreTax	15.5	5.6%	18.5	6.6%	(3.0)	(16.2%)
Net Income	$10.5	3.8%	$12.2	4.4%	$(1.7)	(13.9%)
Diluted EPS	$1.02		$1.19		$(0.17)	(14.1%)
Operating Cash Flow	$31.6		$(0.5)		$32.1	

Notes:
1. Includes warranty costs that negatively impacted pre-tax income by $4.3M and Diluted EPS by $0.27/share.

YTD June 2014 vs. YTD June 2013 (Unaudited) Excluding 2014 Warranty Costs

	6 months 2014 (1)		6 months 2013		Delta	
($ - in millions except EPS)	**$**	**%**	**$**	**%**	**$**	**%**
Sales	$ 278.2		$ 279.3		$ (1.1)	(0.4%)
Gross Profit	59.4	21.4%	54.0	19.3%	5.4	10.0%
SG&A	37.9	13.6%	35.1	12.6%	2.8	8.0%
PreTax	19.8	7.1%	18.5	6.6%	1.3	7.0%
Net Income	$13.3	4.8%	$12.2	4.4%	$1.1	9.0%
Diluted EPS	$1.29		$1.19		$0.10	8.0%

Notes:

1. YTD June 2014 results exclude warranty costs that negatively impacted pre-tax income by $4.3M and Diluted EPS by $0.27/share. See Non-GAAP reconciliation, Page 35, for further details.

Cash Flow
YTD June 2014 vs. YTD June 2013 (Unaudited)

($000s)	YTD June 2014		YTD June 2013	
Income from Cont. Ops, Depr & Amort	$16,485		$ 16,949	
Receivables	4,184		(19,700)	
Inventory	(7,595)		7,994	
Payables	13,091		2,214	
Working Capital Subtotal	**9,680**		**(9,492)**	
All other (including warranty)	5,414		(7,979)	
Operating Cash Flow	**31,579**		**(522)**	$32M Delta
Capital Spending	(7,682)		(3,126)	
Dividends	(620)		(620)	
Acquisitions	(495)		--	
Debt payments/Treasury stock purchases	(972)		(634)	
All other	1,122		(1,884)	
Net increase (decrease) in Cash	**$22,932**		**(6,786)**	
Cash Balance, End of Period	**$87,555**	**(1)**	**$ 94,678**	

Note:
1. In July 2014 we paid $12.3M to acquire Carr Concrete.

L.B. Foster Company and Subsidiaries
Reconciliation of Non-GAAP Financial Measures

The Company believes that these non-GAAP measures are useful to investors in order to provide a better understanding of these measures excluding certain costs incurred in 2014. The costs incurred were associated to concrete ties manufactured at its Grand Island facility which was closed in 2011.These non-GAAP financial measures are not a substitute for GAAP financial results and should only be considered in conjunction with the Company's financial information that is presented in accordance with GAAP.

(In Thousands, except per share data)	**Twelve Months Ended December 31,**		**Six Months Ended June 30,**	
Gross profit margins excluding concrete tie charges	**2013**	**2012**	**2014**	**2013**
	(Unaudited)		**(Unaudited)**	
Gross profit, as reported	115,939	92,269	54,827	54,023
Product warranty charges, before income tax	-	22,000	4,608	-
Gross profit, excluding certain charges	$ 115,939	$ 114,269	$ 59,435	$ 54,023
Gross profit percentage, as reported	19.39%	15.68%	19.70%	19.35%
Gross profit percentage, excluding certain charges	19.39%	19.42%	21.36%	19.35%

	Twelve Months Ended December 31,		**Six Months Ended June 30,**	
Income from continuing operations before income taxes excluding concrete tie charges	**2013**	**2012**	**2014**	**2013**
	(Unaudited)		**(Unaudited)**	
Income from continuing operations, as reported	$ 44,115	$ 23,830	$ 15,528	$ 18,539
Product warranty charges, before income tax	-	22,000	4,608	-
Incentive compensation, before income tax	-	(807)	(344)	-
Income from continuing operations, before income taxes, excluding certain charges	$ 44,115	$ 45,023	$ 19,792	$ 18,539

	Twelve Months Ended December 31,		**Six Months Ended June 30,**	
Income from continuing operations (including diluted earnings per share) excluding concrete tie charges	**2013**	**2012**	**2014**	**2013**
	(Unaudited)		**(Unaudited)**	
Income from continuing operations, as reported	$ 29,276	$ 14,764	$ 10,497	$ 12,208
Product warranty charges, net of income tax	-	13,603	3,015	-
Incentive compensation, net of income tax	-	(499)	(225)	-
Income from continuing operations, excluding certain charges	$ 29,276	$ 27,868	$ 13,287	$ 12,208
Diluted earnings per common share from continuing operations, as reported	$2.85	$1.44	$1.02	$1.19
Diluted earnings per common share from continuing operations, excluding certain charges	$2.85	$2.72	$1.29	$1.19