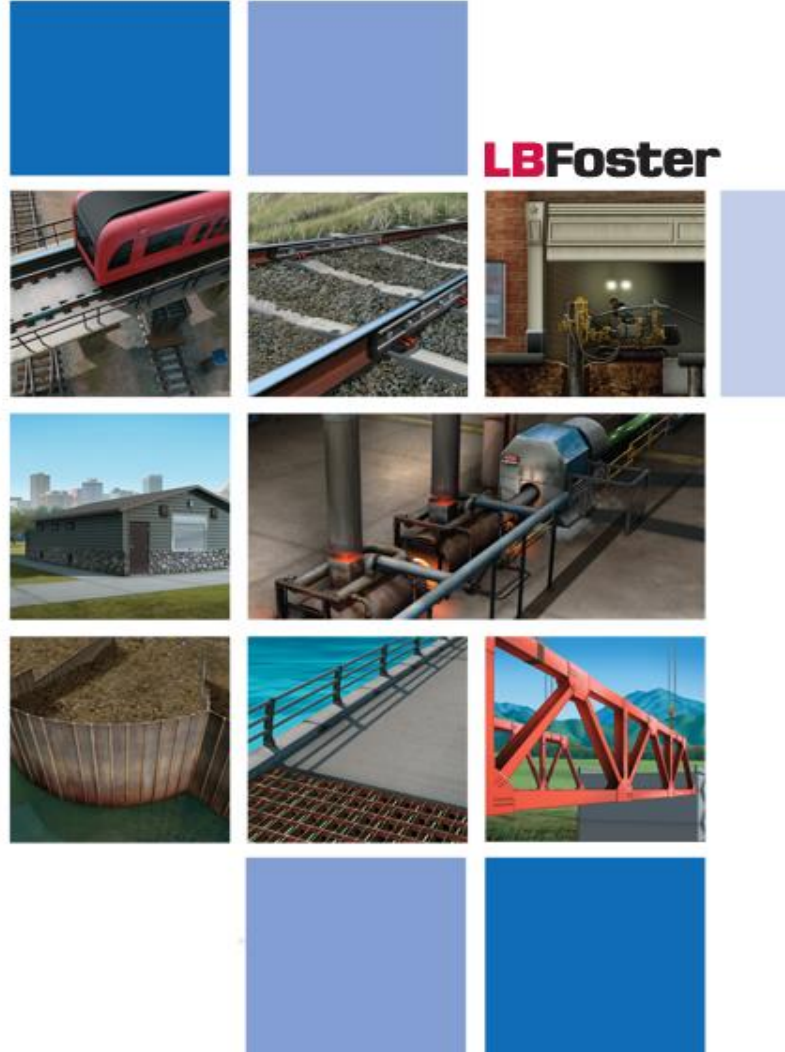


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4Q15 Earnings
Presentation

March 1, 2016

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 lawsuit with Union Pacific Railroad, 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, 2014, and reports on Form 10-Q thereafter.

All information in this presentation speaks only as of March 1, 2016, and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information. 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.

Introduction – Business Highlights

Full Year Results

- Record sales in 2015 of \$625 Million
- Solid gross margin performance of 21.4%
 - Faced weak markets and declining steel prices
- Adjusted EBITDA¹ of \$59 Million for 2015
- Full year 2015 operating cash flow of \$56 Million

Excellent results for cash management

¹ Refer to Non-GAAP reconciliation included herein

Introduction – Business Climate

- N. American freight rail industry weakened throughout 2015
- Loss of Union Pacific Railroad sales
- Energy related businesses face market volatility and further weakness
- Weak results in the first year of our Chemtec & IOS acquisitions led to an impairment charge taken in Q3 related to goodwill
- Declining steel prices throughout the year as steel factory utilization remains very low

2015 Sales - Consolidated

Year over Year Sales Comparison

	2015	2014	Delta	%
Full Year 2015 Sales	624,523	607,192	17,331	2.9%
Acquired Companies	93,411	16,670	76,741	n/m
Base Business	531,112	590,522	59,410	(10.1%)

- ❑ Consolidated sales increase 2.9% year over year
- ❑ Acquired company sales offset the decline in base business

Acquisitions: 2014 through 2015

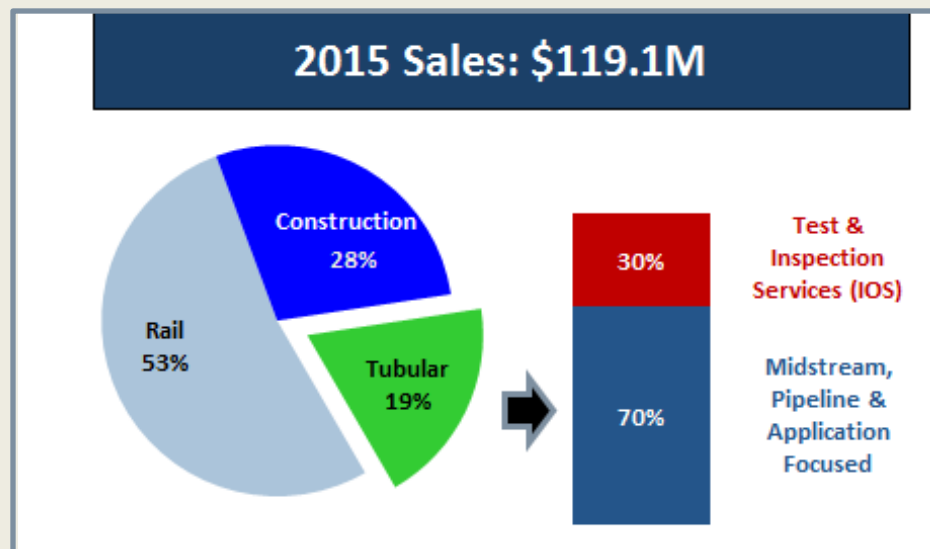
Year Acquired	Company	Location	Markets Served / Expertise	Segment
2014	FWO Lost \$100K	Germany	Friction management systems and technology Ideal transit design with established customers Duetsch-Bahn accepted product	Rail
2014	Carr Concrete	Waverly, WV	Pre-cast concrete buildings & bridge beams Culverts, water & sewer components Construction foundation supports	Construction
2014	Chemtec (As adjusted)	Houston, TX	Precision measurement systems (liquid & gas) Additive, metering, sampling, injection systems Midstream focus	Tubular & Energy Services
2015	TEW Holdings & TEW Plus	United Kingdom	Automation solutions, engineered controls and displays, signaling systems, and software	Rail
2015	Inspection Oilfield Services	Houston, TX	Test & Inspection Services of critical tubular assets for upstream applications in drilling, “fracking”, and production of oil & gas	Tubular & Energy Services

Accretive in 2015

Percentage of Net Sales

	<u>2015</u>	<u>2014</u>
Rail Products & Services	53%	62%
Construction Products	28%	29%
Tubular & Energy Services	19%	9%
	<u>100%</u>	<u>100%</u>

- ❑ Percent of total net sales by business segment including acquisitions
- ❑ Tubular and Energy Services now accounts for 19% of total Company sales
 - ❑ Chemtec and IOS (Test & Inspection Services) are in the 19%



4th Quarter Results – Rail Segment (\$000)

	Q4 2015	Q4 2014	Y-O-Y Delta	%
Rail Segment Sales	76,452	91,530	(15,078)	(16.5%)
Gross Profit (excluding warranty-related charges) ¹	23.4%	25.9%		
<u>Sales Bridge</u>				
UPRR	595	10,340	(9,745)	(94%)
Rail Customers	70,751	81,190	(10,439)	(12.9%)
TEW Group Acquisition	5,106	-	5,106	n/m

¹ Refer to Non-GAAP reconciliation included herein

- ❑ UPRR accounts for \$9.7 million of year over year decline
- ❑ Market weakness and lower steel prices account for 12.9% decline of Rail Customers
- ❑ Acquisition of TEW Group in U.K. helps offset lost revenue

Performance Summary – Rail Segment (\$000)

	<u>2015</u>	<u>2014</u>	<u>Delta</u>	<u>%</u>
Rail Segment	328,982	374,615	(45,633)	12.2%
Gross Profit (excluding warranty-related charges)	23.2%	23.1%	10 bps	
<u>Sales Bridge</u>				
UPRR	15,217	41,521	(26,304)	(63.4%)
Rail Customers	298,538	333,094	(34,556)	(10.4%)
TEW Group Acquisition	15,227	-	15,227	n/m

- UPRR accounts for \$26 million of year over year decline
- Rail Distribution and Europe are significant components of the Rail Customers decline
- TEW Acquisition has approximately 11 months sales
- 10 basis points better gross profit as we managed declining volume

Performance Summary – Construction Segment (\$000)

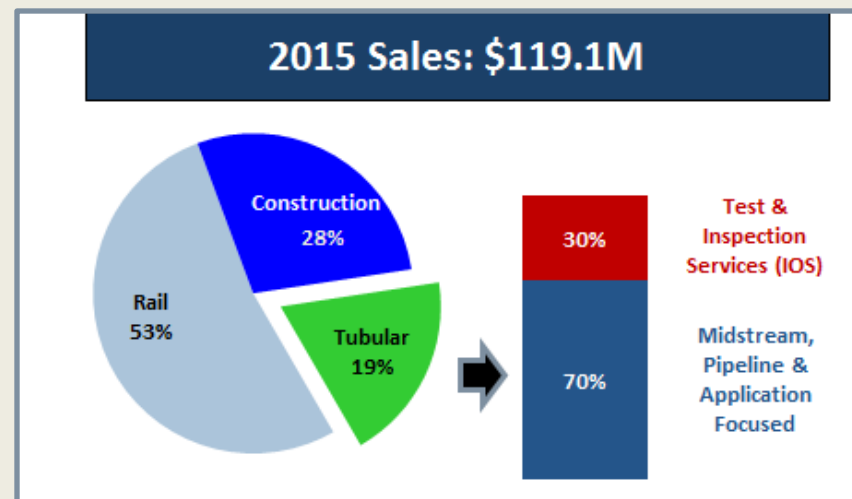
	<u>2015</u>	<u>2014</u>	<u>Delta</u>
Sales – Q4	38,494	59,747	(35.6%)
Gross Profit	19.4%	17.7%	
<hr/>			
Sales – 2015	176,394	178,847	(1.4%)
Gross Profit	19.4%	18.1%	
<hr/>			

- Very weak year for commodity piling product sales as prices become very competitive
- Very good year for pre-cast concrete building sales
 - New products

Performance Summary – Tubular & Energy Services Segment

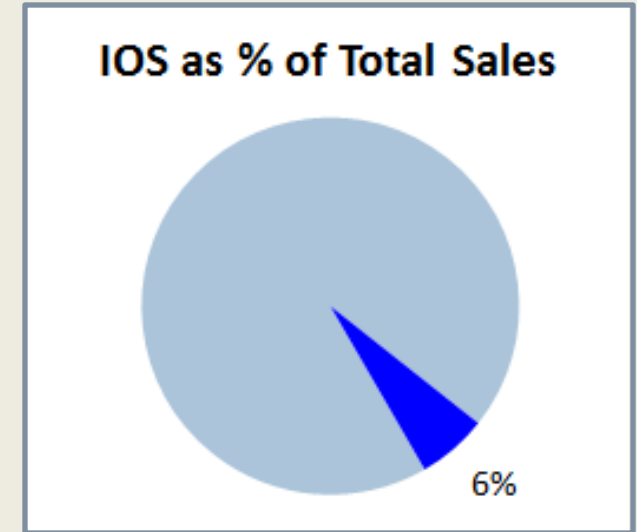
(\$000)	2015	2014	Delta
Sales – Q4	24,192	9,872	145%
Gross Profit	11.8%	20.1%	
Sales – 2015	119,147	53,730	122%
Gross Profit	18.9%	21.8%	
Acquisitions - 2015	71,954	-	n/m

- ❑ Acquisition sales contribute \$71,954 to full year \$119,147 sales
- ❑ Excluding acquisitions, sales declined 12.2%
 - Weakness in threaded product sales to agriculture market
- ❑ Test and Inspection Services gross profit challenged in current environment



Restructuring Actions – Test & Inspections Services (IOS)

- Action taken to adjust costs
 - Service center consolidations
 - Consolidation into fewer regions
 - Reduction in field service technicians according to volume
- Capital spending reduced substantially
- 4th quarter represented the low point in sales for 2015



Adjusted EPS Summary – Impact from Test & Inspection Services

Adjusted EPS Impact to Consolidated Results

	Test & Inspection Services	All Other	Consolidated Adj. Results
Q4 – 2015 Adjusted Non-GAAP ¹	\$(0.25)	\$0.44	\$0.19
FY 2015 Adjusted Non-GAAP ²	\$(0.34)	\$2.15	\$1.81

- Consolidated Company adjusted EPS for 2015 was \$1.81
- Consolidated Company adjusted EPS for Q4 was \$0.19
- Impact to earnings from Test & Inspection Services in Q4 was \$(0.25) and for the full year was \$(0.34)

¹ Excludes \$1.4M gain on Tucson asset sale within “all-other”

² Excludes goodwill impairment of \$57.3M related to IOS and 6.6M within “all-other”

Consolidated Financial Metrics

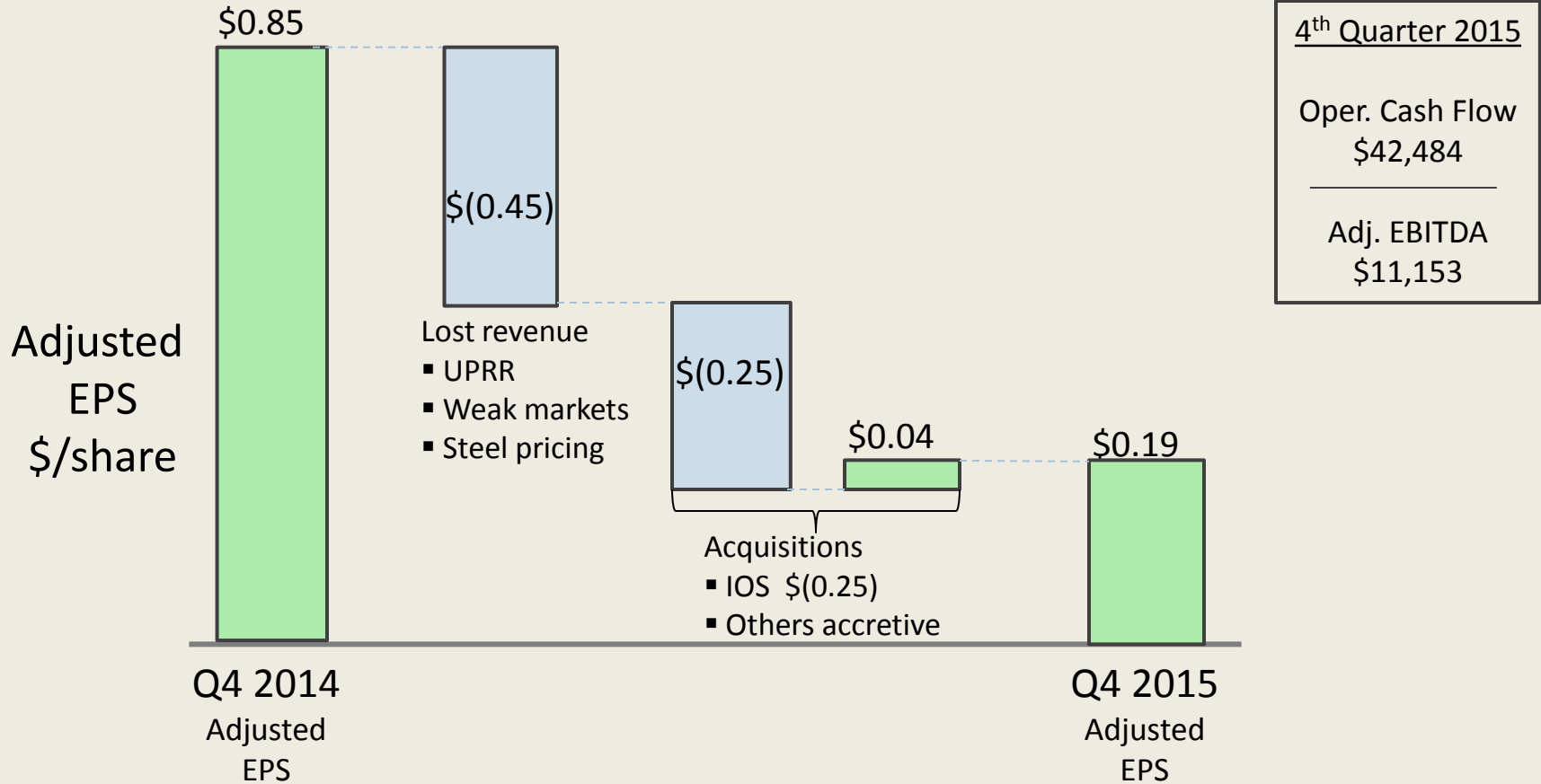
4th Quarter 2015 vs. 4th Quarter 2014

(\$000's)

	Q4 2015 Actual		Q4 2014 Actual		Delta	
	\$	%	\$	%	\$	%
Sales	\$139,138		\$161,149		\$(22,011)	(13.7%)
Diluted EPS - REPORTED	\$0.32		\$0.58		\$(0.26)	(44.8%)
EBITDA - REPORTED	13,432	9.7%	13,020	8.1%	412	3.2%
<hr/>						
Diluted EPS – ADJUSTED ¹	\$0.19		\$0.85		\$(0.66)	(77.6%)
EBITDA - ADJUSTED ¹	11,153	8.0%	17,428	10.8%	(6,275)	(36.0%)

¹ Refer to Non-GAAP reconciliation included herein

Adjusted EPS Bridge 4th Quarter Year over Year



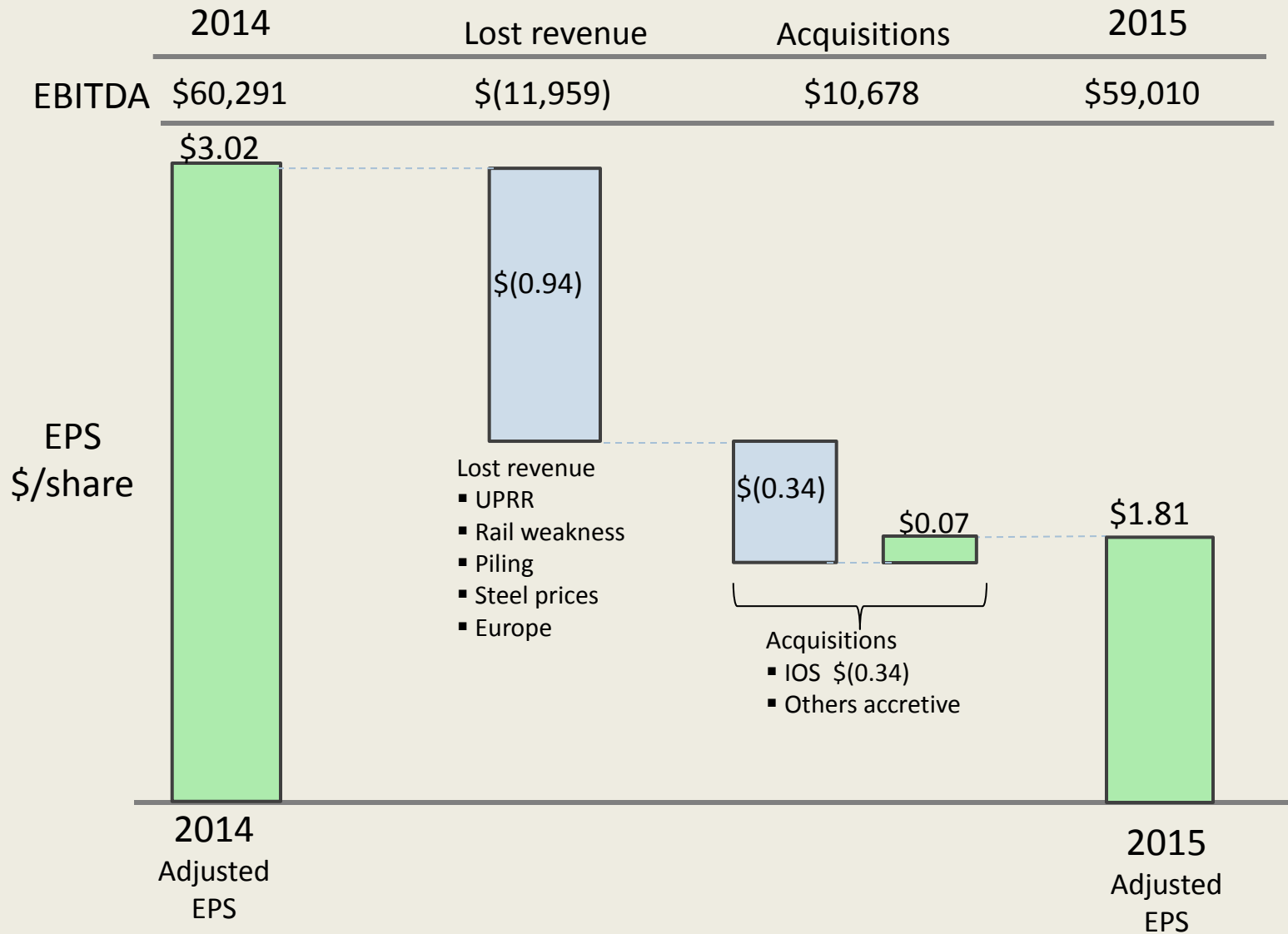
Consolidated Financial Metrics

2015 Actual vs. 2014 (\$000's)

		2015 Actual		2014 Actual		Delta	
		\$	%	\$	%	\$	%
Sales	(1)	\$624,523		\$607,192		\$17,331	2.9%
Diluted EPS - REPORTED		\$(4.33)		\$2.48		\$(6.81)	(274.1%)
EBITDA - REPORTED		\$(19,731)	3.2%	\$51,619	8.5%	\$(71,350)	n/m
<hr/>							
Diluted EPS – ADJUSTED	(2)	\$1.81		\$3.02		\$(1.21)	(40.0%)
EBITDA – ADJUSTED	(2)	\$59,010	9.4%	\$60,291	9.9%	\$(1,281)	(2.1%)

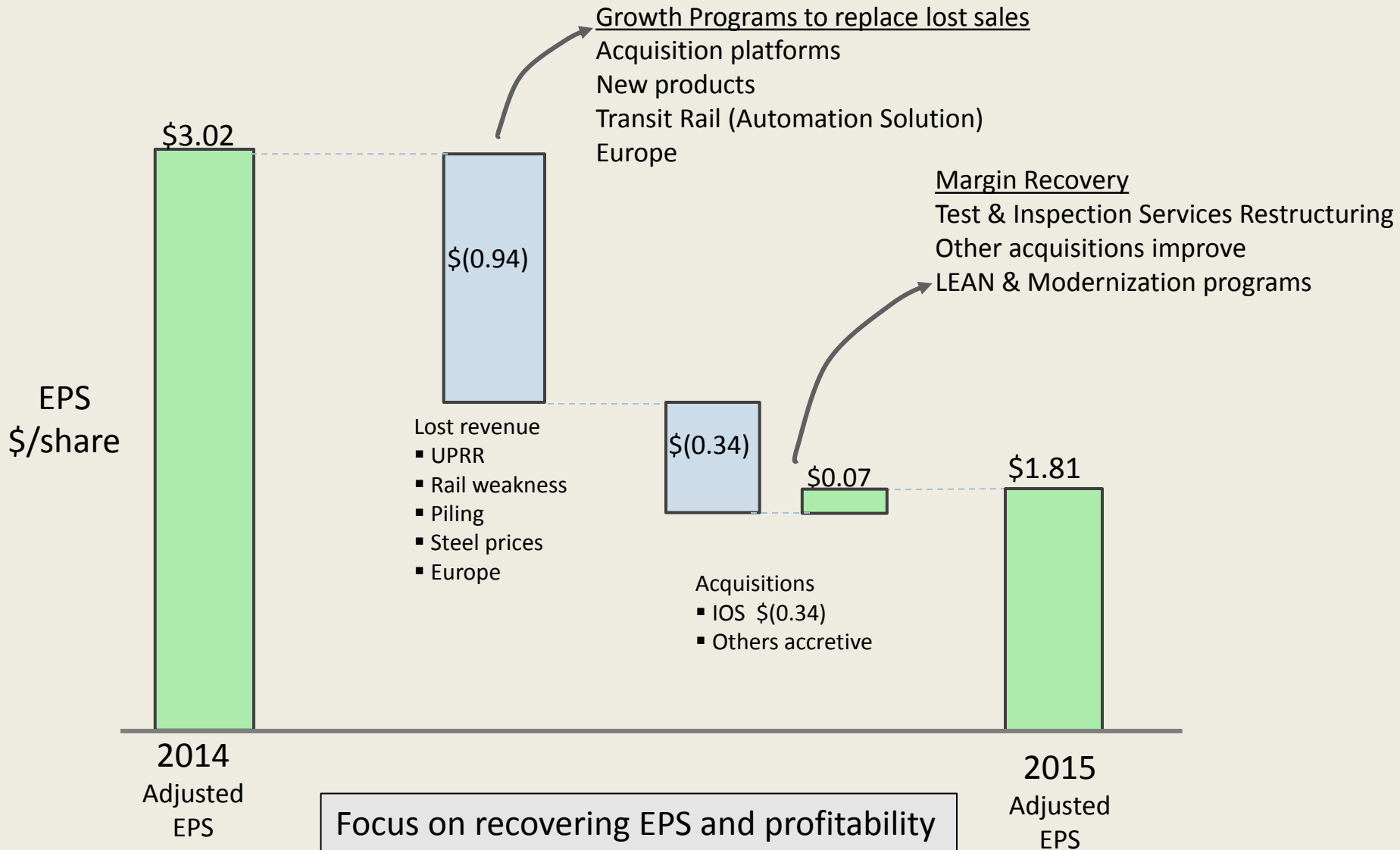
1. Acquisitions are contributing to a \$93.4M increase in 2015 sales.
2. Refer to Non-GAAP reconciliation included herein.

Adjusted EPS & EBITDA Bridge 2014 - 2015



FY 2015
Oper. Cash Flow \$56,172
Adj. EBITDA \$59,010

Adjusted EPS Bridge 2014 - 2015



Operating Cash Flow (\$000)

	<u>Q4-2015</u>	<u>Q4-2014</u>
Operating Cash Flow 4 th Quarter	42,484	16,992
	 2015	 2014
Operating Cash Flow	<u>56,172</u>	<u>66,739</u>
	 2015	 2014
Capex	14,913	17,056

Very strong cash flow performance in the quarter and full year

Full Year 2016 Financial Outlook

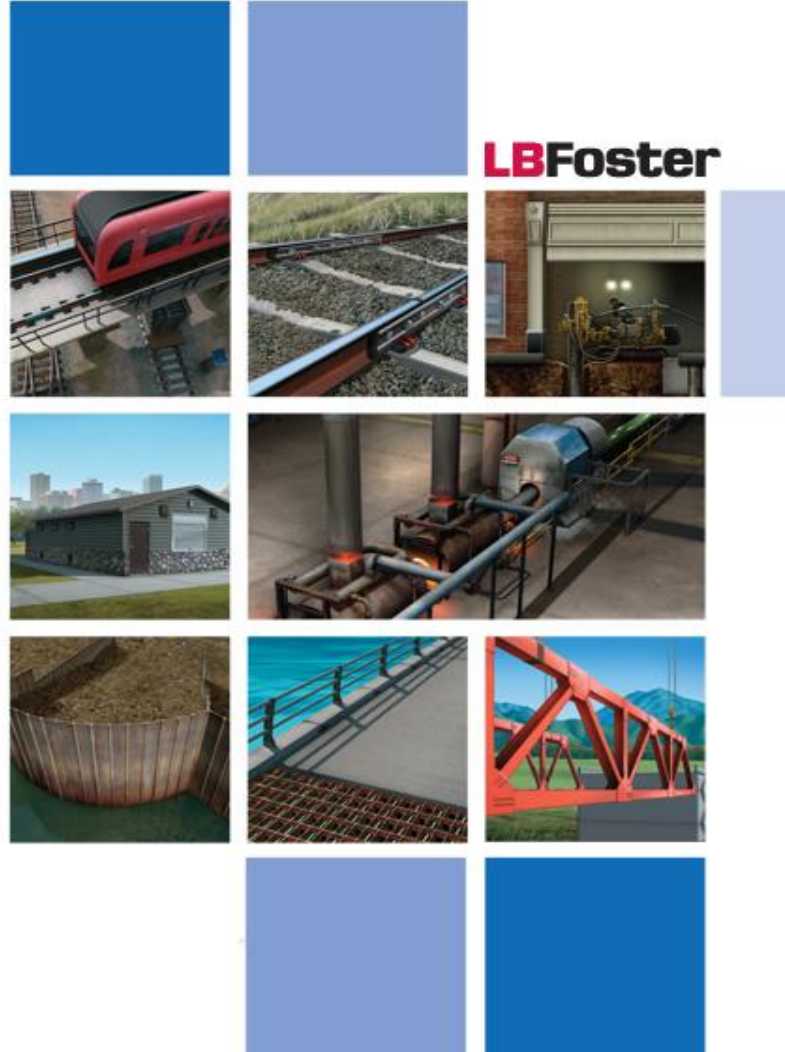
Financial Metric	Outlook
Consolidated Sales	\$610.0 million - \$640.0 million
EBITDA	\$48.0 million - \$52.0 million
Diluted EPS	\$1.00 to \$1.40
Rail Products and Services Sales	Flat to -5.0%
Construction Products Sales	Flat to +5.0%
Tubular and Energy Services Sales (ex. Test and Inspection Services)	+5.0% to +15.0%
Test and Inspection Services Sales	-10.0% to +10.0%

Q1 2016 Financial Outlook

Financial Metric	Outlook
Revenue	Approximately \$130.0 million
EBITDA	Approximately \$7.0 million
EPS	Loss of \$0.05 to \$0.10

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4Q15 Financial
Review

March 1, 2016

Consolidated Income Statement

Q4 2015 vs. Q4 2014 – As Reported

(\$000)

	Q4 2015		Q4 2014		Delta	
	Actual		Actual			
	\$	%	\$	%	\$	%
Sales	\$139,138		\$161,149		\$(22,011)	(13.7%)
Gross Profit	29,872	21.5%	31,605	19.6%	(1,733)	(5.5%)
SG&A	24,515	17.6%	21,546	13.4%	2,969	13.8%
Amortization Expense	3,295	2.4%	1,191	0.7%	2,104	176.7%
Interest Expense	1,212	0.9%	137	0.1%	1,075	784.7%
Other (income)	(4,285)	(3.1%)	(921)	(0.6%)	(3,364)	(365.3%)
Pre Tax Income	5,135	3.7%	9,652	6.0%	(4,517)	(46.8%)
Net Income	\$3,328	2.4%	\$6,029	3.7%	\$(2,701)	(44.8%)
Diluted EPS	\$0.32		\$0.58		\$(0.26)	(44.4%)
EBITDA	\$13,432	9.7%	\$13,020	8.1%	\$412	3.2%

Consolidated Income Statement

Q4 2015 vs. Q4 2014 – As Adjusted¹

(\$000)	Q4 2015		Q4 2014		Delta	
	Actual		Actual			
	\$	%	\$	%	\$	%
Sales	\$139,138		\$161,149		\$(22,011)	(13.7%)
Gross Profit	29,872	21.5%	36,371	22.6%	(6,499)	(17.9%)
SG&A	24,515	17.6%	21,904	13.6%	2,611	11.9%
Amortization Expense	3,295	2.4%	1,191	0.7%	2,104	176.7%
Interest Expense	1,212	0.9%	137	0.1%	1,075	784.7%
Other (income)	(2,006)	(1.4%)	(921)	(0.6%)	(1,085)	(117.8%)
PreTax Income	2,856	2.1%	14,060	8.7%	(11,204)	(79.7%)
Net Income	\$1,904	1.4%	\$8,833	5.5%	\$(6,929)	(78.4%)
Diluted EPS	\$0.19		\$0.85		\$(0.66)	(77.1%)
Adjusted EBITDA	\$11,153	8.0%	\$17,428	10.8%	\$(6,275)	(36.0%)

¹ See Non-GAAP reconciliations included herein with respect to adjusted and other Non-GAAP measures.

Sales by Business Segment

Q4 2015 vs. Q4 2014

(\$000)

	Q4 2015		Q4 2014		Delta	
	Actual	%	Actual	%	\$	%
Rail	\$71,369	51.3%	\$91,530	56.8%	\$(20,161)	(22.0%)
Construction	38,494	27.7%	59,747	37.1%	(21,253)	(35.6%)
Tubular/Energy Services	10,248	7.3%	9,872	6.1%	376	3.8%
Total Base Company	\$120,111	86.3%	\$161,149	100.0%	\$(41,038)	(25.5%)
Acquisitions	19,027	13.7%	-	N/A	19,027	N/A
Consolidated	\$139,138		\$161,149		\$(22,011)	(13.7%)

Q4 Rail sales decline due to UPRR (\$9.7M) and weakening freight rail market.
 Q4 Construction sales decline due to piling products.

Selling & Administrative Expenses Q4 2015 vs Q4 2014

(\$000)

			Delta	
	2015	2014	\$	%
Consolidated S&A	\$24,515	\$21,546	\$2,969	13.8%
Less: Acquisition S&A	3,539	-	3,498	n/a
Base Company S&A	\$20,976	\$21,546	\$(570)	(2.6%)
Percentage of Sales	17.5%	13.4%		

Consolidated Income Statement

2015 Actual vs. 2014 – As Reported

(\$000)

	2015 Actual		2014 Actual		Delta	
	\$	%	\$	%	\$	%
Sales	\$624,523		\$607,192		\$17,331	2.9%
Gross Profit	133,653	21.4%	121,591	20.0%	12,062	9.9%
SG&A	92,648	14.8%	79,814	13.1%	12,834	16.1%
Amortization Expense	12,245	2.0%	4,695	0.8%	7,550	160.8%
Impairment of goodwill	80,337	12.9%	-	N/A	80,337	N/A
Interest Expense	4,378	0.7%	512	0.1%	3,866	755.1%
Other (income)	(5,378)	(0.9%)	(2,490)	(0.4%)	(2,888)	(116.0%)
Pre Tax (Loss) Income	(50,577)	(8.1%)	39,060	6.4%	(89,637)	(229.5%)
Net (Loss) Income	\$(44,445)	(7.1%)	\$25,656	4.2%	\$(70,101)	(273.2%)
(Loss) Earnings per share	\$(4.33)		\$2.48		\$(6.81)	(274.1%)
EBITDA	\$(19,731)	(3.2%)	\$51,619	8.5%	\$(71,350)	n/m

Consolidated Income Statement

2015 Actual vs. 2014 – As Adjusted¹

(\$000)	2015		2014		Delta	
	Actual		Actual			
	\$	%	\$	%	\$	%
Sales	\$624,523		\$607,192		\$17,331	2.9%
Gross Profit	134,745	21.6%	130,965	21.6%	3,780	2.9%
SG&A	92,648	14.8%	80,516	13.3%	12,132	15.1%
Amortization Expense	12,245	2.0%	4,695	0.8%	7,550	160.8%
Interest Expense	4,378	0.7%	512	0.1%	3,866	755.1%
Other (income)	(3,099)	(0.5%)	(2,490)	(0.4%)	(609)	(24.5%)
Pre Tax Income	28,573	4.6%	47,732	7.9%	(19,159)	(40.1%)
Net Income	\$18,731	3.0%	\$31,250	5.1%	\$(12,519)	(40.1%)
Diluted EPS	\$1.81		\$3.02		\$(1.21)	(40.0%)
Adjusted EBITDA	\$59,010	9.4%	\$60,291	9.9%	\$(1,281)	(2.1%)

¹ See Non-GAAP reconciliations included herein with respect to adjusted and other Non-GAAP measures.

Sales by Business Segment 2015 vs. 2014

(\$000)

<u>Base Company</u>	2015		2014		Delta	
	Actual	%	Actual	%	\$	%
Rail	\$312,268	50.0%	\$373,959	61.6%	\$(61,691)	(16.5%)
Construction	171,651	27.5%	173,948	28.6%	(2,297)	(1.3%)
Tubular/Energy Services	47,193	7.5%	53,730	8.9%	(6,537)	(12.2%)
Total Base Company	\$531,112	85.0%	\$601,637	99.1%	\$(70,525)	(11.7%)
Acquisitions	93,411	15.0%	5,555	0.9%	87,856	N/A
Consolidated	<u>\$624,523</u>		<u>\$607,192</u>		<u>\$17,331</u>	<u>2.9%</u>

Rail sales decline due to soft freight rail market, and loss of UPRR (\$26.3M).

Selling and Administrative Expenses 2015 vs 2014

(\$000)

			Delta	
	<u>2015</u>	<u>2014</u>	<u>\$</u>	<u>%</u>
Consolidated S&A	\$92,648	\$79,814	\$12,834	16.1%
Less: Acquisition S&A	<u>14,351</u>	<u>688</u>	<u>13,663</u>	n/a
Base Company S&A	<u>\$78,297</u>	<u>\$79,126</u>	<u>\$(829)</u>	<u>(1.0%)</u>
Percentage of Sales	14.7%	13.2%		

Balance Sheets

December 31, 2015 vs. 2014

(\$000)	<u>Dec 31, 2015</u>	<u>Dec 31, 2014</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$33,312	\$52,024
Accounts receivable-net	78,487	90,178
Inventories – net	96,396	95,089
Other current assets	6,279	6,891
Total current assets	214,474	244,182
Property, plant and equipment – net	126,745	74,802
Other assets:		
Goodwill	81,752	82,949
Other intangibles – net	134,927	82,134
Other assets	8,762	7,650
Total assets	\$566,660	\$491,717
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$81,556	\$96,518
Accrued warranty	8,755	11,500
Current maturities of long-term debt	1,335	676
Total current liabilities	91,646	108,694
Long-term debt	167,419	25,752
Other long-term liabilities	24,763	21,383
Total stockholders' equity	282,832	335,888
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$566,660	\$491,717

Cash Flow – Q4 2015 vs 2014

(\$000)

	<u>Q4 2015</u>	<u>Q4 2014</u>
Net Income adjusted for non-cash items	\$10,459	\$9,359
Receivables	32,708	7,377
Inventory	5,614	1,967
Payables	<u>(1,146)</u>	<u>2,558</u>
Working Capital Subtotal	37,176	11,902
All other (including warranty)	<u>(5,151)</u>	<u>(4,269)</u>
Operating Cash Flow	42,484	16,992
Capital Spending	(3,295)	(5,463)
Dividends	(412)	(414)
Acquisitions	(2,130)	(68,011)
Debt (repayments) proceeds	(40,992)	24,153
All other	<u>4,447</u>	<u>(1,749)</u>
Net increase (decrease) in Cash	<u>102</u>	<u>(34,492)</u>
Cash Balance, End of Period	\$ 33,312	\$ 52,024

Annual Cash Flow – 2015 vs 2014

(\$000)

	<u>2015</u>	<u>2014</u>
Net Income adjusted for non cash items	\$46,116	\$38,233
Receivables	31,223	15,311
Inventory	4,331	(9,872)
Payables	(17,204)	16,285
Working Capital Subtotal	18,350	21,724
All other (including warranty)	(8,294)	6,782
Operating Cash Flow	56,172	66,739
Capital Spending	(14,913)	(17,056)
Dividends	(1,656)	(1,345)
Acquisitions	(196,001)	(80,797)
Debt proceeds	139,995	24,391
All other	(2,309)	(4,531)
Net (decrease) in Cash	(18,712)	(12,599)
Cash Balance, End of Period	\$ 33,312	\$ 52,024

New Orders Summary – 2015 vs. 2014 (\$M)

<u>New Orders Entered</u>	<u>2015</u>	<u>2014</u>	<u>Delta</u>	
			<u>\$</u>	<u>%</u>
Tubular and Energy Services	\$55.7	\$51.6	\$4.1	7.9%
Rail Products (1)	\$280.2	\$355.1	\$(74.9)	(21.1%)
Construction Products	\$143.6	\$184.3	\$(40.7)	(22.1%)
Base Company	\$479.5	\$591.0	\$(111.5)	(18.9%)
Acquisitions (2)	107.2	7.9	99.3	1257.0%
Total Company	\$586.7	\$598.9	\$(12.2)	(2.0%)

1. \$32.3M of the Rail Segment decrease is attributable to the UPRR.
2. 2015 Acquisitions include Carr Concrete, FWO, Chemtec, TEW Engineering, IOS, and TEW Plus. 2014 Acquisitions only include Carr Concrete and FWO Germany.

2015 vs 2014 Backlog Summary (\$M)

<u>Backlog – Dec 31</u>	<u>2015</u>	<u>2014</u>	<u>Delta</u>	
			<u>\$</u>	<u>%</u>
Rail – Base	\$71.3	\$104.7	\$(33.4)	(31.9%)
Construction – Base	40.7	62.9	(22.2)	(35.3%)
Tubular - Base	14.0	5.5	8.5	154.5%
Subtotal - Base	126.0	173.1	\$(47.1)	(27.2%)
Acquisitions¹	38.7	11.3	27.4	242.5
Total at December 31	\$164.7	\$184.4	\$(19.7)	(10.7%)

¹Chemtec (acquired 12/30/14) backlog is included in both periods.

Appendix

Non-GAAP Measures

- ▶ This earnings report contains certain non-GAAP financial measures. These financial measures include gross profit margins and earnings per share excluding certain non-recurring charges as well as earnings before interest, taxes, depreciation, and amortization (EBITDA) and adjusted EBITDA. The Company believes that these non-GAAP measures are useful to investors in order to provide a better understanding of the ongoing operations of the Company's business. These supplemental financial measures are useful to management and external users to assess the financial performance of our business without consideration of the non-cash goodwill impairment charge and certain concrete tie warranty related items. The EBITDA and adjusted EBITDA measures are useful in the assessment of the use of our assets without regard to financing methods, capital structure, or historical cost basis. EBITDA is also a financial measurement that is utilized in the determination of certain compensation programs. Note that the warranty charges incurred were associated with concrete ties manufactured at the Company's Grand Island, NE 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. Quantitative reconciliations of the GAAP measures are presented below:

Non-GAAP Measures (continued)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
	(in thousands except per share information)			
	(Unaudited)		(Unaudited)	
Net sales, as reported	\$ 139,138	\$ 161,149	\$ 624,523	\$ 607,192
Cost of sales, as reported	<u>109,266</u>	<u>129,544</u>	<u>490,870</u>	<u>485,601</u>
Gross profit, as reported	29,872	31,605	133,653	121,591
Product warranty related charges, before income tax	<u>-</u>	<u>4,766</u>	<u>1,092</u>	<u>9,374</u>
Gross profit, excluding certain charges	<u>\$ 29,872</u>	<u>\$ 36,371</u>	<u>\$ 134,745</u>	<u>\$ 130,965</u>
Gross profit percentage, as reported	21.47%	19.61%	21.40%	20.03%
Gross profit, as adjusted	21.47%	22.57%	21.58%	21.57%
Pre-tax income (loss), as reported	<u>\$ 5,135</u>	<u>\$ 9,652</u>	<u>\$ (50,577)</u>	<u>\$ 39,060</u>
Impairment of goodwill, before income tax	-	-	80,337	-
Product warranty related charges, before income tax	-	4,408	1,092 (a)	8,672
Gain on Tucson, AZ asset sale	<u>(2,279)</u>	<u>-</u>	<u>(2,279)</u>	<u>-</u>
Pre-tax income, as adjusted	<u>\$ 2,856</u>	<u>\$ 14,060</u>	<u>\$ 28,573</u>	<u>\$ 47,732</u>
Net income (loss), as reported	<u>\$ 3,328</u>	<u>\$ 6,029</u>	<u>\$ (44,445)</u>	<u>\$ 25,656</u>
Impairment of goodwill, net of income tax	-	-	63,887	-
Product warranty charges, net of income tax	-	2,804	713 (a)	5,594
Gain on Tucson, AZ asset sale, net of income taxes	<u>(1,424)</u>	<u>-</u>	<u>(1,424)</u>	<u>-</u>
Net income, as adjusted	<u>\$ 1,904</u>	<u>\$ 8,833</u>	<u>\$ 18,731</u>	<u>\$ 31,250</u>
Diluted earnings (loss) per share, as reported	<u>\$ 0.32</u>	<u>\$ 0.58</u>	<u>\$ (4.33)</u>	<u>\$ 2.48</u>
Diluted earnings per share, as adjusted	<u>\$ 0.19</u>	<u>\$ 0.85</u>	<u>\$ 1.81</u>	<u>\$ 3.02</u>
Average number of common shares outstanding - diluted, as reported	<u>10,270</u>	<u>10,341</u>	<u>10,254 (b)</u>	<u>10,332</u>
Average number of common shares outstanding - diluted, excluding certain charges	<u>10,270</u>	<u>10,342</u>	<u>10,329</u>	<u>10,334</u>

(a) - Excludes second quarter costs associated with warranty related legal and incentive adjustments that are now reflected in the forecast and guidance (\$102 gross and \$67 net)

(b) - Excludes anti-dilutive shares

Non-GAAP Measures (continued)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
	(in thousands except per share information) (Unaudited)			
Adjusted EBITDA Reconciliation				
Net income (loss)	\$ 3,328	\$ 6,029	\$ (44,445)	\$ 25,656
Interest expense (income), net	1,166	38	4,172	(18)
Income tax expense (benefit)	1,807	3,623	(6,132)	13,404
Depreciation	3,836	2,139	14,429	7,882
Amortization	3,295	1,191	12,245	4,695
Total EBITDA	13,432	13,020	(19,731)	51,619
Impairment of goodwill	-	-	80,337	-
EBITDA adjusted for impairment of goodwill	13,432	13,020	60,606	51,619
Pre-tax warranty related adjustments	-	4,408	683 (c)	8,672
Gain on Tucson, AZ asset sale	(2,279)	-	(2,279)	-
Total adjusted EBITDA	\$ 11,153	\$ 17,428	\$ 59,010	\$ 60,291

(c) - Excludes second quarter costs associated with pre-tax warranty related legal and incentive adjustments of \$102 that were reflected in current year guidance.