UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the quarterly period ended March 31, 2014

Or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the transition period from __________ to __________

Commission File Number: 0-10436

L.B. Foster Company
(Exact name of Registrant as specified in its charter)

Pennsylvania **(State of Incorporation)**	**25-1324733** **(I. R. S. Employer Identification No.)**
415 Holiday Drive, Pittsburgh, Pennsylvania **(Address of principal executive offices)**	**15220** **(Zip Code)**

(412) 928-3400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 24, 2014
Common Stock, Par Value $.01	10,338,841 Shares

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L.B. FOSTER COMPANY AND SUBSIDIARIES

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	March 31, 2014 (Unaudited)	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 91,131	$ 64,623
Accounts receivable—net	66,771	98,437
Inventories—net	77,644	76,956
Current deferred tax assets	461	461
Prepaid income tax	3,977	4,741
Other current assets	4,445	2,000
Current assets of discontinued operations	88	149
Total current assets	244,517	247,367
Property, plant, and equipment—net	51,478	50,109
Other assets:		
Goodwill	57,781	57,781
Other intangibles—net	50,705	51,846
Investments	5,204	5,090
Other assets	1,480	1,461
Total Assets	$ 411,165	$ 413,654
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 43,617	$ 46,620
Deferred revenue	7,130	5,715
Accrued payroll and employee benefits	5,753	8,927
Accrued warranty	7,010	7,483
Current maturities of long-term debt	114	31
Current deferred tax liabilities	179	179
Other accrued liabilities	7,013	6,501
Liabilities of discontinued operations	26	26
Total current liabilities	70,842	75,482
Long-term debt	319	25
Deferred tax liabilities	11,591	11,798
Other long-term liabilities	10,472	9,952
Stockholders' equity:		
Common stock, par value $.01, authorized 20,000,000 shares; shares issued at March 31, 2014 and December 31, 2013, 11,115,779; shares outstanding at March 31, 2014 and December 31, 2013, 10,211,032 and 10,188,521	111	111
Paid-in capital	46,565	47,239
Retained earnings	301,701	298,361
Treasury stock—at cost, common stock, 904,747 shares at March 31, 2014 and 927,258 shares at December 31, 2013	(24,144)	(24,731)
Accumulated other comprehensive loss	(6,292)	(4,583)
Total stockholders' equity	317,941	316,397
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 411,165	$ 413,654

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share data)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	(Unaudited)	
Net sales	$111,414	$129,321
Cost of goods sold	87,287	104,473
Gross profit	24,127	24,848
Selling and administrative expenses	18,025	17,130
Amortization expense	1,141	701
Interest expense	123	133
Interest income	(144)	(206)
Equity in income of nonconsolidated investment	(204)	(176)
Other income	(135)	(178)
	18,806	17,404
Income from continuing operations before income taxes	5,321	7,444
Income tax expense	1,672	2,493
Income from continuing operations	3,649	4,951
Discontinued operations:		
Loss from discontinued operations before income taxes	—	(39)
Income tax benefit	—	(15)
Loss from discontinued operations	—	(24)
Net income	$ 3,649	$ 4,927
Basic earnings per common share:		
From continuing operations	$ 0.36	$ 0.49
From discontinued operations	—	(0.00)
Basic earnings per common share	$ 0.36	$ 0.49
Diluted earnings per common share:		
From continuing operations	$ 0.35	$ 0.48
From discontinued operations	—	(0.00)
Diluted earnings per common share	$ 0.35	$ 0.48
Dividends paid per common share	$ 0.03	$ 0.03

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Three Months Ended March 31,	
	2014	2013
	(Unaudited)	
Net income	$ 3,649	$ 4,927
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustment	(1,750)	(1,823)
Reclassification of pension liability adjustments to earnings, * net of tax expense: $21 and $36	41	69
Other comprehensive loss, net of tax	(1,709)	(1,754)
Comprehensive income	$ 1,940	$ 3,173

* Reclassifications out of accumulated other comprehensive income for pension obligations are charged to selling and administrative expense.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income from continuing operations	$ 3,649	$ 4,951
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Deferred income taxes	(195)	(221)
Depreciation and amortization	2,902	2,365
Equity in income of nonconsolidated investment	(204)	(176)
Loss (gain) on sales and disposals of property, plant, and equipment	12	(8)
Share-based compensation	575	631
Excess income tax benefit from share-based compensation	(85)	(189)
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable	31,513	(12,852)
Inventories	(833)	(295)
Other current assets	(1,755)	(1,298)
Prepaid income tax	450	(1,593)
Other noncurrent assets	43	91
Dividends from LB Pipe & Coupling Products, LLC	90	378
Accounts payable	(2,568)	(9,363)
Deferred revenue	1,401	4,660
Accrued payroll and employee benefits	(3,135)	(3,940)
Other current liabilities	(330)	(78)
Other liabilities	595	(301)
Net cash provided (used) by continuing operating activities	32,125	(17,238)
Net cash provided by discontinued operations	61	124
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of property, plant, and equipment	184	8
Capital expenditures on property, plant, and equipment	(3,499)	(1,031)
Acquisition of business	(495)	—
Net cash used by continuing investing activities	(3,810)	(1,023)

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(In thousands)

	Three Months Ended March 31,	
	2014	2013
	(In thousands)	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of other long-term debt	(19)	(18)
Proceeds from other long-term debt	316	—
Treasury stock acquisitions	(747)	(547)
Cash dividends on common stock paid to shareholders	(309)	(310)
Excess income tax benefit from share-based compensation	85	189
Net cash used by continuing financing activities	(674)	(686)
Effect of exchange rate changes on cash and cash equivalents	(1,194)	(1,206)
Net increase (decrease) in cash and cash equivalents	26,508	(20,029)
Cash and cash equivalents at beginning of period	64,623	101,464
Cash and cash equivalents at end of period	$91,131	$ 81,435
Supplemental disclosure of cash flow information:		
Interest paid	$ 87	$ 86
Income taxes paid	$ 1,480	$ 4,076

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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L.B. FOSTER COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. FINANCIAL STATEMENTS
(Dollars in thousands, except share data)

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all estimates and adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. However, actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. Amounts included in the balance sheet as of December 31, 2013 were derived from our audited balance sheet. This Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013. In this Quarterly Report on Form 10-Q, references to "Foster," "we," "us," "our," and the "Company" refer collectively to L.B. Foster and its consolidated subsidiaries.

Reclassifications

Certain amounts in previously issued financial statements have been reclassified to conform to the current period presentation.

2. BUSINESS SEGMENTS

The Company is a leading manufacturer, fabricator, and distributor of products and services for rail, construction, energy, and utility markets. The Company is organized and evaluated by product group, which is the basis for identifying reportable segments. Each segment represents a revenue-producing component of the Company for which separate financial information is produced internally and is subject to evaluation by the Company's chief operating decision maker in deciding how to allocate resources. Each segment is evaluated based upon their contribution to the Company's consolidated results based upon segment profit.

The following table illustrates revenues and profits from continuing operations of the Company by segment for the periods indicated:

	Three Months Ended			
	March 31, 2014		March 31, 2013	
	Net Sales	Segment Profit	Net Sales	Segment Profit
Rail Products	$ 73,496	$5,316	$ 81,399	$6,201
Construction Products	27,383	1,216	36,811	462
Tubular Products	10,535	586	11,111	2,607
Total	$111,414	$7,118	$129,321	$9,270

Segment profits from continuing operations, as shown above, include internal cost of capital charges for assets used in the segment at a rate of generally 1% per month. There has been no change in the measurement of segment profit from continuing operations from December 31, 2013. The internal cost of capital charges are eliminated during the consolidation process.

The following table provides a reconciliation of reportable segment net profit from continuing operations to the Company’s consolidated total:

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Income for reportable segments	$ 7,118	$ 9,270
Interest expense	(123)	(133)
Interest income	144	206
Other income	135	178
LIFO expense	(4)	(240)
Equity in income of nonconsolidated investment	204	176
Corporate expense, cost of capital elimination, and other unallocated charges	(2,153)	(2,013)
Income from continuing operations before income taxes	$ 5,321	$ 7,444

3. ACQUISITIONS

During the prior year, the Company acquired substantially all of the assets and liabilities of Ball Winch, LLC (Ball Winch). Cash payments totaling $37,500 were made during 2013 and a post-closing working capital adjustment of $495 was paid in February 2014 resulting in a total purchase price of $37,995. Included within the purchase price was $3,300 which is held in escrow to satisfy any indemnity claims under the purchase agreement. The results of operations for Ball Winch are included in the Company’s Tubular segment for the quarter ended March 31, 2014.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of the acquisition:

Allocation of Purchase Price	Fair Value
Current assets	$ 1,857
Other assets	64
Property, plant, and equipment	5,555
Goodwill	16,544
Other intangibles	14,682
Current liabilities	(707)
Total	$37,995

The Company has concluded that intangible assets and goodwill values resulting from this transaction will be deductible for tax purposes.

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The following table summarizes the estimates of the fair values and amortizable lives of the identifiable intangible assets acquired:

Intangible Asset	Fair Value	Weighted Average Amortizable Life (years)
Trade name	$ 723	0.5
Technology	11,129	7.5
Non-competition agreements	2,830	1.0
Total identified intangible assets	$14,682	

The Company continues to evaluate certain current liabilities assumed in the acquisition. If new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected their measurement, the Company will retrospectively adjust the amounts recognized as of the acquisition date.

4. GOODWILL AND OTHER INTANGIBLE ASSETS

The carrying amount of goodwill at March 31, 2014 and December 31, 2013 was $57,781, of which $38,026 is attributable to the Company's Rail Products segment, $16,544 to the Tubular Products segment, and $3,211 to the Construction Products segment.

The Company performs goodwill impairment tests at least annually if it is determined that it is more likely than not that the fair value of a reporting unit is less than the carrying amount. Qualitative factors are assessed to determine whether it is more likely than not that the fair value of a reporting unit is less than the carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. No goodwill impairment test was required in connection with these evaluations for the three months ended March 31, 2014. The Company performs its annual evaluation of the carrying value of its goodwill during the fourth quarter.

As of March 31, 2014 and December 31, 2013, gross identified intangible assets of $44,455 are attributable to the Company's Rail Products segment, $14,682 are attributable to the Tubular Products segment, and $1,830 are attributable to the Construction Products segment. The components of the Company's intangible assets are as follows:

	March 31, 2014			
	Weighted Average Amortization Period In Years	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	5	$ 2,860	$ (260)	$ 2,600
Patents	10	639	(213)	426
Customer relationships	23	19,960	(3,846)	16,114
Supplier relationships	5	350	(231)	119
Trademarks and trade names	16	7,003	(1,460)	5,543
Technology	15	30,155	(4,252)	25,903
		$60,967	$ (10,262)	$50,705

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	December 31, 2013			
	Weighted Average Amortization Period In Years	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	5	$ 2,860	$ (117)	$ 2,743
Patents	10	639	(201)	438
Customer relationships	23	19,960	(3,575)	16,385
Supplier relationships	5	350	(213)	137
Trademarks and trade names	16	7,003	(1,334)	5,669
Technology	15	30,155	(3,681)	26,474
		$60,967	$ (9,121)	$51,846

Intangible assets are amortized over their useful lives ranging from 5 to 25 years, with a total weighted average amortization period of approximately 17 years. Amortization expense from continuing operations for the three-month periods ended March 31, 2014 and 2013 was $1,141 and $701, respectively.

Estimated amortization expense from continuing operations for the remainder of 2014 and the years 2015 and thereafter is as follows:

	Amortization Expense
2014	$ 3,402
2015	4,265
2016	4,107
2017	4,107
2018	4,003
2019 and thereafter	30,821
	$ 50,705

5. ACCOUNTS RECEIVABLE

Credit is extended based upon an evaluation of the customer's financial condition and while collateral is not required, the Company often receives surety bonds that guarantee payment. Credit terms are consistent with industry standards and practices. Trade accounts receivable from continuing operations at March 31, 2014 and December 31, 2013 have been reduced by an allowance for doubtful accounts of $1,144 and $1,099, respectively.

6. INVENTORIES

Inventories of continuing operations of the Company at March 31, 2014 and December 31, 2013 are summarized in the following table:

	March 31, 2014	December 31, 2013
Finished goods	$61,853	$ 55,166
Work-in-process	7,520	11,332
Raw materials	17,302	19,485
Total inventories at current costs	86,675	85,983
Less: LIFO reserve	(9,031)	(9,027)
	$77,644	$ 76,956

Inventories of the Company's continuing operations are generally valued at the lower of last-in, first-out (LIFO) cost or market. Other inventories of the Company are valued at average cost or market, whichever is lower. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time. Interim LIFO calculations are based on management's estimates of expected year-end levels and costs.

7. INVESTMENTS

The Company is a member of a joint venture, LB Pipe & Coupling Products, LLC (JV), in which it maintains a 45% ownership interest. The JV manufactures, markets, and sells various precision coupling products for the energy, utility, and construction markets and is scheduled to terminate on June 30, 2019.

Under applicable guidance for variable interest entities in ASC 810, “Consolidation,” the Company determined that the JV is a variable interest entity. The Company concluded that it is not the primary beneficiary of the variable interest entity, as the Company does not have a controlling financial interest and does not have the power to direct the activities that most significantly impact the economic performance of the JV. Accordingly, the Company concluded that the equity method of accounting remains appropriate.

As of March 31, 2014 and December 31, 2013, the Company had a nonconsolidated equity method investment of $5,204 and $5,090, respectively.

The Company recorded equity in the income of the JV of approximately $204 and $176 for the three months ended March 31, 2014 and 2013, respectively. During the periods ending March 31, 2014 and 2013 the Company received cash distributions of $90 and $378, respectively. There were no changes to the Company’s 45% ownership interest as a result of the proportional distribution.

The Company’s exposure to loss results from its capital contributions, net of the Company’s share of the JV’s income or loss, and its net investment in the direct financing lease covering the facility used by the JV for its operations. The carrying amounts with the maximum exposure to loss of the Company at March 31, 2014 and December 31, 2013, respectively, are as follows:

	March 31, 2014	December 31, 2013
Equity method investment	$ 5,204	$ 5,090
Net investment in direct financing lease	1,197	1,224
	$ 6,401	$ 6,314

The Company is leasing five acres of land and two facilities to the JV over a period of 9.5 years, with a 5.5 year renewal period. In November 2012, the Company executed the first amendment to its lease with the JV. The amendment included the addition of a second facility built by the Company that is now leased to the JV. As a result of the amendment, monthly rent over the term of the lease increased by approximately $7. The current monthly lease payments approximate $17, with a balloon payment of approximately $488, which is required to be paid either at the termination of the lease, allocated over the renewal period, or during the initial term of the lease. This lease qualifies as a direct financing lease under the applicable guidance in ASC 840-30, “Leases.” The Company maintained a net investment in this direct financing lease of approximately $1,197 and $1,224 at March 31, 2014 and December 31, 2013, respectively.

The following is a schedule of the direct financing minimum lease payments for the remainder of 2014 and the years 2015 and thereafter:

	Minimum Lease Payments
2014	$ 87
2015	122
2016	131
2017	140
2018	150
2019 and thereafter	567
	$ 1,197

8. DEFERRED REVENUE

Deferred revenue of $7,130 and $5,715 as of March 31, 2014 and December 31, 2013, respectively, consists of customer payments received for which the revenue recognition criteria have not yet been met. The Company has significantly fulfilled its obligations under the contracts and the customers have paid, but due to the Company’s continuing involvement with the material, revenue is precluded from being recognized until title passes to the customer.

9. BORROWINGS

United States

On May 2, 2011, the Company, its domestic subsidiaries, and certain of its Canadian subsidiaries entered into a new $125,000 Revolving Credit Facility Credit Agreement (Credit Agreement) with PNC Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., and Citizens Bank of Pennsylvania. This Credit Agreement replaced a prior revolving credit facility with a maximum credit line of $90,000 and a $20,000 term loan. The Credit Agreement provides for a five-year, unsecured revolving credit facility that permits borrowing up to $125,000 for the U.S. borrowers and a sublimit of the equivalent of $15,000 U.S. dollars that is available to the Canadian borrowers. Provided no event of default exists, the Credit Agreement contains a provision that provides for an increase in the revolver facility of $50,000 that can be allocated to existing or new lenders if the Company’s borrowing requirements should increase. The Credit Agreement includes a sublimit of $20,000 for the issuance of trade and standby letters of credit.

Borrowings under the Credit Agreement will bear interest at rates based upon either the base rate or LIBOR-based rate plus applicable margins. Applicable margins are dictated by the ratio of the Company’s indebtedness less cash on hand to the Company’s consolidated EBITDA, as defined in the underlying Credit Agreement. The base rate is the highest of (a) PNC Bank’s prime rate, (b) the Federal Funds Rate plus 0.50% or (c) the daily LIBOR rate, as defined in the underlying Credit Agreement, plus 1.00%. The base rate spread ranges from 0.00% to 1.00%. LIBOR-based rates are determined by dividing the published LIBOR rate by a number equal to 1.00 minus the percentage prescribed by the Federal Reserve for determining the maximum reserve requirements with respect to any Eurocurrency funding by banks on such day. The LIBOR-based rate spread ranges from 1.00% to 2.00%.

The Credit Agreement includes two financial covenants: (a) the Leverage Ratio, defined as the Company’s Indebtedness less cash on hand divided by the Company’s consolidated EBITDA, which must not exceed 3.00 to 1.00 and (b) Minimum Interest Coverage, defined as consolidated EBITDA less Capital Expenditures divided by consolidated interest expense, which must be no less than 3.00 to 1.00.

The Credit Agreement permits the Company to pay dividends and distributions and make redemptions with respect to its stock provided no event of default or potential default (as defined in the Credit Agreement) has occurred prior to or after giving effect to the dividend, distribution, or redemption. Dividends, distributions, and redemptions are capped at $15,000 per year when funds are drawn on the facility. If no drawings on the facility exist, dividends, distributions, and redemptions in excess of $15,000 per year are subjected to a limitation of $75,000 in the aggregate. The $75,000 aggregate limitation also includes certain loans, investments, and acquisitions. The Company is permitted to acquire the stock or assets of other entities with limited restrictions, provided that the Leverage Ratio does not exceed 2.50 to 1.00 after giving effect to the acquisition.

Other restrictions exist at all times including, but not limited to, limitation of the Company’s sale of assets, other indebtedness incurred by either the borrowers or the non-borrower subsidiaries of the Company, guarantees, and liens.

As of March 31, 2014, the Company was in compliance with the Credit Agreement’s covenants.

The Company had no outstanding borrowings under the revolving credit facility at March 31, 2014 or December 31, 2013 and had available borrowing capacity of $124,186 at March 31, 2014.

Letters of Credit

At March 31, 2014, the Company had outstanding letters of credit of approximately $814.

United Kingdom

A subsidiary of the Company has a working capital facility with NatWest Bank for its United Kingdom operations which includes an overdraft availability of £1,500 pounds sterling (approximately $2,500 at March 31, 2014). This credit facility supports the subsidiary's working capital requirements and is collateralized by substantially all of the assets of its United Kingdom operations. The interest rate on this facility is the financial institution's base rate plus 1.50%. Outstanding performance bonds reduce availability under this credit facility. The subsidiary of the Company had no outstanding borrowings under this credit facility as of March 31, 2014. There was approximately $31 and $60 in outstanding guarantees (as defined in the underlying agreement) at March 31, 2014 and December 31, 2013, respectively. This credit facility was renewed during the third quarter of 2013 with no significant changes to the underlying terms or conditions in the facility. The expiration date of this credit facility is July 31, 2014. It is the Company's intention to renew this credit facility with NatWest Bank during the annual review of the credit facility in 2014.

The United Kingdom loan agreements contain certain financial covenants that require that subsidiary to maintain senior interest and cash flow coverage ratios. The subsidiary was in compliance with these financial covenants as of March 31, 2014. The subsidiary had available borrowing capacity of $2,469 at March 31, 2014.

10. DISCONTINUED OPERATIONS

On June 4, 2012, the Company sold substantially all of the assets and liabilities of its railway securement business, SSD, for $8,579, resulting in a pre-tax gain of approximately $3,508.

On August 30, 2012, the Company sold substantially all of the assets and liabilities of its precise structural products business, Precise, for $2,643, resulting in a pre-tax loss of approximately $315.

The operations of these divisions qualify as a "component of an entity" under FASB ASC 205-20, "Presentation of Financial Statements – Discontinued Operations" and thus, the operations are classified as discontinued for all periods presented. Future expenses of discontinued operations are not expected to be material.

The Company maintained current assets from discontinued operations of $88 and $149 and current liabilities of $26 for both March 31, 2014 and December 31, 2013. Sales from the discontinued businesses were not material to the three months ended March 31, 2014 and 2013.

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11. EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per common share:

	Three Months Ended March 31, 2014	2013
Numerator for basic and diluted earnings per common share -		
Income available to common stockholders:		
Income from continuing operations	$ 3,649	$ 4,951
Loss from discontinued operations	—	(24)
Net income	$ 3,649	$ 4,927
Denominator:		
Weighted average shares	10,197	10,158
Denominator for basic earnings per common share	10,197	10,158
Effect of dilutive securities:		
Employee stock options	10	12
Other stock compensation plans	85	77
Dilutive potential common shares	95	89
Denominator for diluted earnings per common share - adjusted weighted average shares and assumed conversions	10,292	10,247
Basic earnings per common share:		
Continuing operations	$ 0.36	$ 0.49
Discontinued operations	—	(0.00)
Basic earnings per common share	$ 0.36	$ 0.49
Diluted earnings per common share:		
Continuing operations	$ 0.35	$ 0.48
Discontinued operations	—	(0.00)
Diluted earnings per common share	$ 0.35	$ 0.48
Dividends paid per common share	$ 0.03	$ 0.03

There have been no changes to the February 2013 Board of Directors authorization of the $0.03 per common share regular quarterly dividend.

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12. STOCK-BASED COMPENSATION

The Company applies the provisions of FASB ASC 718, “Compensation – Stock Compensation,” to account for the Company’s share-based compensation. Share-based compensation cost is measured at the grant date based on the calculated fair value of the award and is recognized over the employees’ requisite service period. The Company recorded stock compensation expense of $575 and $631 for the three-month period ended March 31, 2014 and 2013, respectively, related to restricted stock awards and performance unit awards. As of March 31, 2014, unrecognized compensation expense for awards the Company expects to vest approximated $4,702. The Company will recognize this expense over the upcoming 4 year period through February 2018.

Shares issued as a result of vested stock-based compensation generally will be from previously issued shares which have been reacquired by the Company and held as Treasury shares or authorized but previously unissued common stock.

The excess income tax benefit realized for the tax deduction from stock-based compensation approximated $85 and $189 for the three months ended March 31, 2014 and 2013, respectively. This excess income tax benefit is included in cash flows from financing activities in the Condensed Consolidated Statements of Cash Flows.

Stock Option Awards

A summary of the option activity as of March 31, 2014 is presented below.

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (Dollars in thousands)
Outstanding and Exercisable at January 1, 2014	18,750	$ 10.64	1.3	
Granted	—	—	—	
Canceled	—	—	—	
Exercised	—	—	—	
Outstanding and Exercisable at March 31, 2014	18,750	$ 10.64	1.0	$ 679

At March 31, 2014, common stock options outstanding and exercisable under the Company’s equity plans had option prices ranging from $7.81 to $14.77, with a weighted average exercise price of $10.64. At March 31, 2013, common stock options outstanding and exercisable under the Company’s equity plans had option prices ranging from $7.81 to $14.77, with a weighted average exercise price of $10.41 per share.

The total intrinsic value of stock options outstanding and exercisable at March 31, 2013 was $762.

The weighted average remaining contractual life of the stock options outstanding at March 31, 2014 and 2013 was 1.0 and 2.0 years, respectively.

There were no stock options exercised during the three-month periods ending March 31, 2014 and 2013.

Restricted Stock Awards and Performance Unit Awards

Under the amended and restated 2006 Omnibus plan, the Company grants eligible employees restricted stock and performance unit awards. The forfeitable Restricted Stock Awards generally time-vest after a four year holding period, unless indicated otherwise by the underlying Restricted Stock Agreement. Performance Unit Awards are offered annually under separate three-year long-term incentive plans. Performance units are subject to forfeiture and will be converted into common stock of the Company based upon the Company’s performance relative to performance measures and conversion multiples as defined in the underlying plan. If the Company’s estimate of the number of performance stock awards expected to vest changes in a subsequent accounting period, cumulative compensation expense could increase or decrease. The change will be recognized in the current period for the vested shares and would change future expense over the remaining vesting period.

The following table summarizes the Restricted Stock Award and Performance Unit Award activity for the period ended March 31, 2014:

	Restricted Stock Units	Performance Stock Units	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2014	129,726	61,651	$ 34.00
Granted	19,051	34,652	44.07
Vested	(25,968)	(13,588)	33.92
Adjustment for incentive awards expected to vest	—	(9,923)	43.83
Canceled	(960)	(2,880)	44.13
Outstanding at March 31, 2014	121,849	69,912	$ 36.13

13. RETIREMENT PLANS

Retirement Plans

The Company has five retirement plans which cover its hourly and salaried employees in the United States: three defined benefit plans (one active / two frozen) and two defined contribution plans. Employees are eligible to participate in the appropriate plan based on employment classification. The Company's funding to the defined benefit and defined contribution plans are governed by the Employee Retirement Income Security Act of 1974 (ERISA), applicable plan policy and investment guidelines. The Company's policy is to contribute at least the minimum in accordance with the funding standards of ERISA.

The Company's subsidiary, L.B. Foster Rail Technologies, Inc. (Rail Technologies), maintains two defined contribution plans for its employees in Canada, as well as a post-retirement benefit plan. In the United Kingdom, Rail Technologies maintains both a defined contribution plan and a defined benefit plan.

United States Defined Benefit Plans

Net periodic pension costs for the United States defined benefit pension plans for the three-month periods ended March 31, 2014 and 2013 are as follows:

	Three Months Ended March 31,	
	2014	2013
Service cost	$ 6	$ 8
Interest cost	193	177
Expected return on plan assets	(242)	(214)
Recognized net actuarial loss	16	53
Net periodic pension (income) cost	$ (27)	$ 24

The Company expects to contribute approximately $448 to its United States defined benefit plans in 2014. No contributions were made during the three months ended March 31, 2014.

United Kingdom Defined Benefit Plans

Net periodic pension costs for the United Kingdom defined benefit pension plan for the three-month periods ended March 31, 2014 and 2013 are as follows:

	Three Months Ended March 31,	
	2014	2013
Interest cost	$ 99	$ 80
Expected return on plan assets	(94)	(68)
Amortization of transition amount	(7)	(11)
Recognized net actuarial loss	50	53
Net periodic pension cost	$ 48	$ 54

United Kingdom regulations require trustees to adopt a prudent approach to funding required contributions to defined benefit pension plans. Employer contributions of $298 are anticipated to the United Kingdom L.B. Foster Rail Technologies, Inc. pension plan during 2014. For the three months ended March 31, 2014, the Company contributed approximately $75 to the plan.

Defined Contribution Plans

The Company has a domestic defined contribution plan that covers all non-union hourly and all salaried employees (Salaried Plan). The Salaried Plan permits both pre-tax and after-tax employee contributions. Participants can contribute, subject to statutory limitations, between 1% and 75% of eligible pre-tax pay and between 1% and 100% of eligible after-tax pay. The Company's employer match is 100% of the first 1% of deferred eligible compensation and up to 50% of the next 6%, based on years of service, of deferred eligible compensation, for a total maximum potential match of 4%. The Company may also make discretionary contributions to the Salaried Plan.

The Company also has a domestic defined contribution plan for union hourly employees with contributions made by both the participants and the Company based on various formulas (Union Plan).

Rail Technologies, maintains a defined contribution plan covering all non-union employees at its Montreal, Quebec, Canada location (Montreal Plan). Under the terms of the Montreal Plan, the employer may contribute 4% of each employee's compensation as a non-elective contribution and may also contribute 30% of the first 6% of each employee's compensation contributed to the Montreal Plan.

The subsidiary also maintains a defined contribution plan covering substantially all employees at its United Kingdom locations (U.K. Plan). Benefits under the U.K. Plan are provided under no formal written agreement. Under the terms of the defined contribution U.K. Plan, the employer may make non-elective contributions of between 3% and 10% of each employee's compensation.

Finally, Rail Technologies maintains a defined contribution plan covering substantially all of the employees at its Burnaby, British Columbia, Canada location (Burnaby Plan). Under the terms of the Burnaby Plan, the employer may contribute 4% of each employee's compensation as a non-elective contribution and may also contribute 30% of the first 6% of each employee's compensation contributed to the Burnaby Plan.

The following table summarizes the expense associated with the contributions made to these plans.

	Three Months Ended March 31,	
	2014	2013
Salaried Plan	$ 556	$ 449
Union Plan	17	16
Montreal Plan	25	35
U.K. Plan	38	33
Burnaby Plan	39	45
	$ 675	$ 578

14. FAIR VALUE MEASUREMENTS

The Company determines the fair value of assets and liabilities based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The fair values are based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. The fair value hierarchy is based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's own assumptions of what market participants would use. The fair value hierarchy includes three levels of inputs that may be used to measure fair value as described below.

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

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

The Company has an established process for determining fair value for its financial assets and liabilities, principally cash and cash equivalents and foreign currency exchange contracts. Fair value is based on quoted market prices, where available. If quoted market prices are not available, fair value is based on assumptions that use as inputs market-based parameters. The following sections describe the valuation methodologies used by the Company to measure different financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified. Where appropriate the description includes details of the key inputs to the valuations and any significant assumptions.

Cash equivalents. Included within "Cash and cash equivalents" are investments in money market funds with various underlying securities all of which maintain AAA credit ratings. Also included within cash equivalents are our highly liquid investments in non-domestic bank term deposits. The Company uses quoted market prices to determine the fair value of these investments and they are classified in Level 1 of the fair value hierarchy. The carrying amounts approximate fair value because of the short maturity of the instruments.

The following assets and liabilities of the Company were measured at fair value on a recurring basis subject to the disclosure requirements of ASC Topic 820 at March 31, 2014 and December 31, 2013:

		Fair Value Measurements at Reporting Date Using		
	March 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Domestic money market funds	$ 39,852	$ 39,852	$ —	$ —
Non domestic bank term deposits	31,828	31,828	—	—
Cash equivalents at fair value	71,680	71,680	—	—
Total Assets	$ 71,680	$ 71,680	$ —	$ —

		Fair Value Measurements at Reporting Date Using		
	December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Domestic money market funds	$ 18,276	$ 18,276	$ —	$ —
Non domestic bank term deposits	32,947	32,947	—	—
Cash equivalents at fair value	51,223	51,223	—	—
Total Assets	$ 51,223	$ 51,223	$ —	$ —

15. COMMITMENTS AND CONTINGENT LIABILITIES

Product Liability Claims

The Company is subject to product warranty claims that arise in the ordinary course of its business. For certain manufactured products, the Company maintains a product warranty accrual which is adjusted on a monthly basis as a percentage of cost of sales. The product warranty accrual is periodically adjusted based on the identification or resolution of known individual product warranty claims. The following table sets forth the Company's continuing operations product warranty accrual:

	Warranty Liability
Balance at December 31, 2013	$ 7,483
Additions to warranty liability	207
Warranty liability utilized	(680)
Balance at March 31, 2014	$ 7,010

Included within the above table are concrete tie warranty reserves of approximately $6,050 and $6,462 as of March 31, 2014 and December 31, 2013, respectively. The reduction in the reserve balance relates to warranty claims satisfied through the replacement of concrete ties during the three month period ended March 31, 2014.

In July 2012, the Union Pacific Railroad (UPRR) notified the Company and its subsidiary, CXT Incorporated (CXT), of a warranty claim under CXT's 2005 supply contract relating to the sale of pre-stressed concrete railroad ties to the UPRR. The UPRR asserted that a significant percentage of concrete ties manufactured in 2006 through 2011 at CXT's former Grand Island, NE facility failed to meet contract specifications, had workmanship defects, and were cracking and failing prematurely. Of the 3.0 million ties manufactured between 1999 and 2011 from the Grand Island, NE facility, approximately 1.6 million relate to concrete ties sold to the UPRR during the period of their claim.

During 2012, as a result of testing the Company conducted on concrete ties manufactured at its former Grand Island, NE facility, the Company recorded pre-tax warranty charges of $22,000 in "Cost of Goods Sold" within its Rail Products segment. The accrual was based on the Company's estimate of the number of defective concrete ties that will ultimately require replacement during the applicable warranty periods at an average cost of fifty dollars per concrete tie.

The Company continues to work with the UPRR to identify, replace, and reconcile defective ties related to the warranty claim asserted under CXT's 2005 supply contract. The concrete tie warranty reserve is the best estimate of the expected value of defective ties that will be replaced as a result of our observation and analysis of ties in track. While the Company believes this is a reasonable estimate of these potential warranty claims, these estimates could change due to the receipt of new information and future events.

As of March 31, 2014, the Company and the UPRR have not been able to reconcile the disagreement related to the 2013 warranty replacement activity. The disagreement includes approximately 170,000 ties. The Company provided detailed documentation supporting its position including reasons that detail why these ties were not eligible for a warranty claim. In the event the UPRR continues to replace ties and assert warranty claims on an ongoing basis in the same manner as 2013, the Company is likely to have a disagreement relating to the number of ties eligible for warranty claim in future periods as well. In the event the Company is not able to resolve these claims to the Company's satisfaction, these past and future claims may have a material impact on the Company's financial condition and results of operations.

Additionally, the UPRR has claimed that the Company is in breach of the 2012 amended supply agreement for various reasons. The Company has denied the UPRR's claim that it is in material breach of the 2012 amended supply agreement and intends to continue discussions with the UPRR in an effort to resolve these claims, including reconciling previously replaced ties as well as addressing the future warranty tie replacement process. In the event that the Company is found to be in material breach of the 2012 amended supply agreement, the UPRR may seek damages from the Company and/or terminate the agreement.

The Company will continue to assess the adequacy of its product warranty reserve as additional information becomes available. There can be no assurance at this point that future potential costs pertaining to these claims or other potential future claims will not have a material impact on the Company's financial condition or results of operations.

Environmental and Legal Proceedings

The Company is subject to national, state, foreign, provincial, and/or local laws and regulations relating to the protection of the environment. The Company's efforts to comply with environmental regulations may have an adverse effect on its future earnings. In the opinion of management, compliance with the present environmental protection laws will not have a material adverse effect on the financial condition, results of operations, cash flows, competitive position, or capital expenditures of the Company.

The Company is also subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial condition or liquidity of the Company. The resolution, in any reporting period, of one or more of these matters could have a material effect on the Company's results of operations for that period.

As of March 31, 2014 and December 31, 2013, the Company maintained environmental and litigation reserves approximating $2,173 and $2,190, respectively.

16. INCOME TAXES

The Company's effective income tax rate from continuing operations for the quarter ended March 31, 2014 was 31.4%, compared to 33.5% for the quarter ended March 31, 2013. The Company's effective tax rate for the quarter ended March 31, 2014 differed from the federal statutory rate of 35% primarily due to the recognition of $167 in previously unrecognized state tax benefits.

17. SUBSEQUENT EVENTS

Management evaluated all activity of the Company and concluded that no subsequent events have occurred that would require recognition in the Condensed Consolidated Financial Statements or disclosure in the Notes to the Condensed Consolidated Financial Statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations
(Dollars in thousands, except share data)

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Many of the forward-looking statements are located in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Sentences containing words such as “believe,” “intend,” “may,” “expect,” “should,” “could,” “anticipate,” “plan,” “estimate,” “predict,” “project,” or their negatives, or other similar expressions generally should be considered forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q may concern, among other things, the Company’s expectations regarding our strategy, goals, projections and plans regarding our financial position, liquidity and capital resources, the outcome of litigation and product warranty claims, results of operations, decisions regarding our strategic growth initiatives, market position, and product development, all of which are based on current estimates that involve inherent risks and uncertainties. The Company cautions readers that various factors could cause the actual results of the Company to differ materially from those indicated by forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Among the factors that could cause the actual results to differ materially from those indicated in the forward-looking statements are risks and uncertainties related to: general business conditions, a decrease in freight or passenger rail traffic, a lack of state or federal funding for new infrastructure projects, the timeliness and availability of material from major suppliers, labor disputes, the impact of competition, variances in current accounting estimates and their ultimate outcomes, the seasonality of the Company’s business, the adequacy of internal and external sources of funds to meet financing needs, the Company’s ability to curb its working capital requirements, domestic and international income taxes, foreign currency fluctuations, inflation, the ultimate number of concrete ties that will have to be replaced pursuant to product warranty claims, an overall resolution of the related contract claims, and domestic and foreign governmental regulations. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, actual outcomes could vary materially from those indicated. The risks and uncertainties that may affect the operations, performance and results of the Company’s business and forward-looking statements include, but are not limited to, those set forth under Item 1A, “Risk Factors” section of our Annual Report on Form 10-K and our other periodic filings with the Securities and Exchange Commission.

The forward looking statements in this report are made as of the date of this report and we assume no obligation to update or revise any forward looking statement, whether as a result of new information, future developments, or otherwise.

General Overview

L.B. Foster Company (Company) is a leading manufacturer, fabricator, and distributor of products and services for rail, construction, energy, and utility markets. The Company is comprised of three business segments: Rail Products, Construction Products, and Tubular Products.

The following discussion and analysis of financial condition and results of operations relates only to our continuing operations. More information regarding the results of discontinued operations can be found in Note 10 to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

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Year-to-date Results of Continuing Operations

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Percent of Total Net Sales Three Months Ended March 31, 2014	Percent of Total Net Sales Three Months Ended March 31, 2013	Percent Increase/(Decrease) 2014 vs. 2013
Net Sales:					
Rail Products	$ 73,496	$ 81,399	65.9%	62.9%	(9.7)%
Construction Products	27,383	36,811	24.6	28.5	(25.6)
Tubular Products	10,535	11,111	9.5	8.6	(5.2)
Total net sales	$111,414	$129,321	100.0%	100.0%	(13.8)%

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Gross Profit Percentage Three Months Ended March 31, 2014	Gross Profit Percentage Three Months Ended March 31, 2013	Percent Increase/(Decrease) 2014 vs. 2013
Gross Profit:					
Rail Products	$ 16,430	$ 17,033	22.4%	20.9%	(3.5)%
Construction Products	5,712	4,972	20.9	13.5	14.9
Tubular Products	2,130	3,215	20.2	28.9	(33.7)
LIFO expense	(4)	(240)	—	(0.2)	**
Other	(141)	(132)	(0.1)	(0.1)	6.8
Total gross profit	$ 24,127	$ 24,848	21.7%	19.2%	(2.9)%

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Percent of Total Net Sales Three Months Ended March 31, 2014	Percent of Total Net Sales Three Months Ended March 31, 2013	Percent Increase/(Decrease) 2014 vs. 2013
Expenses:					
Selling and administrative expenses	$ 18,025	$ 17,130	16.2%	13.2%	5.2%
Amortization expense	1,141	701	1.0	0.5	62.8
Interest expense	123	133	0.1	0.1	(7.5)
Interest income	(144)	(206)	(0.1)	(0.2)	(30.1)
Equity in income of nonconsolidated investment	(204)	(176)	(0.2)	(0.1)	15.9
Other income	(135)	(178)	(0.1)	(0.1)	(24.2)
Total expenses	$ 18,806	$ 17,404	16.9%	13.5%	8.1%
Income from continuing operations before income taxes	$ 5,321	$ 7,444	4.8%	5.8%	(28.5)%
Income tax expense	1,672	2,493	1.5	1.9	(32.9)
Income from continuing operations	$ 3,649	$ 4,951	3.3%	3.8%	(26.3)%

** Results of calculation are not considered meaningful for presentation purposes.

First Quarter 2014 Compared to First Quarter 2013 – Company Analysis

Net sales of $111,414 for the period ended March 31, 2014 decreased by $17,907, or 13.8%, compared to the prior year quarter. The change was attributable to reductions of 9.7%, 25.6%, and 5.2% in Rail Products, Construction Products, and Tubular Products segment sales, respectively. Weather related project delays and supply chain issues within the Construction segment were the primary factors leading to the reduction in sales. Income from continuing operations for the first quarter of 2014 was $3,649, or $0.35 per diluted share, compared to income from continuing operations of $4,951, or $0.48 per diluted share, in the prior year quarter.

Gross profit margin for the quarter ended March 31, 2014 was 21.7% or 245 basis points higher than the prior year. The increase was due to a significant improvement in the Construction Products segment gross profit and to a lesser extent, improved Rail Products segment margins.

Selling and administrative expenses increased by $895 or 5.2% from the prior year, due principally to personnel related costs associated with salaried headcount.

The Company's effective income tax rate from continuing operations in the 2014 first quarter was 31.4%, compared to 33.5% in the prior year quarter. The Company's effective income tax rate for the quarters ended March 31, 2014 and 2013 differed from the federal statutory rate of 35% primarily due to the recognition of previously unrecognized state tax benefits.

Results of Continuing Operations – Segment Analysis

Rail Products

	Three Months Ended March 31,		(Decrease) /Increase	Percent (Decrease)/Increase
	2014	2013	2014 vs. 2013	2014 vs. 2013
Net Sales	$73,496	$81,399	$ (7,903)	(9.7)%
Gross Profit	$16,430	$17,033	$ (603)	(3.5)%
Gross Profit Percentage	22.4%	20.9%	1.5%	7.2%

First Quarter 2014 Compared to First Quarter 2013

Rail Products segment sales decreased $7,903 or 9.7% compared to the prior year period. The sales decline within the Rail Products segment was primarily attributable to a combined 20.6% reduction in sales of the Rail Distribution, Concrete Tie, and Transit business. Partially offsetting this decline was a 12.8% sales increase from the Rail Technologies business.

Although net sales declined by 9.7%, the Rail Products segment increased its gross profit margin by 143 basis points. The increase was principally due to greater demand of higher margin manufactured products rather than distribution products during the current quarter.

Construction Products

	Three Months Ended March 31, 2014	2013	(Decrease)/Increase 2014 vs. 2013	Percent (Decrease)/Increase 2014 vs. 2013
Net Sales	$27,383	$36,811	$ (9,428)	(25.6)%
Gross Profit	$ 5,712	$ 4,972	$ 740	14.9%
Gross Profit Percentage	20.9%	13.5%	7.4%	54.8%

First Quarter 2014 Compared to First Quarter 2013

Construction Products segment sales decreased $9,428, or 25.6% compared to the prior year period. Weather related customer delays and supply chain issues contributed to the reduction in sales. Piling Products sales declined by 41.9% which was partially offset by a 111.1% increase in Fabricated Bridge product sales.

During the quarter, the Construction Products segment generated an increase in new orders of 51.5% compared to the prior year period. The increased orders led to a 37.9% increase in backlog compared to March 31, 2013.

Although net sales declined by $9,428, the gross profit percentage increased by 735 basis points due to gross margin improvements in all the Construction Products' businesses as well as favorable product mix.

Tubular Products

	Three Months Ended March 31, 2014	2013	Decrease 2014 vs. 2013	Percent Decrease 2014 vs. 2013
Net Sales	$10,535	$11,111	$ (576)	(5.2)%
Gross Profit	$ 2,130	$ 3,215	$ (1,085)	(33.7)%
Gross Profit Percentage	20.2%	28.9%	(8.7)%	(30.1)%

First Quarter 2014 Compared to First Quarter 2013

Tubular Products segment sales decreased $576, or 5.2% compared to the prior year period. This decrease was due to reduced sales in both the Coated and Threaded Products businesses. The reduction in sales was partially offset by sales of our Ball Winch acquisition which closed during the fourth quarter of 2013. Tubular Products gross margins were unfavorably impacted by volume related de-leveraging, as well as reduced pricing.

While sales and profitability were down during the current quarter, the Tubular Products segment generated an increase in new orders of 87.8% compared to the prior year period. The increase in orders led to a 61.1% increase in backlog compared to March 31, 2013.

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Other

Segment Backlog

Total Company backlog from continuing operations at March 31, 2014 was approximately $253,289 and is summarized by business segment in the following table for the periods indicated:

	Backlog		
	March 31, 2014	December 31, 2013	March 31, 2013
Rail Products	$149,221	$ 121,853	$174,376
Construction Products	87,792	53,483	63,645
Tubular Products	16,276	7,775	10,100
Total Backlog from Continuing Operations	$253,289	$ 183,111	$248,121

Warranty

As of March 31, 2014, the Company maintained a total product warranty reserve of approximately $7,010 for its estimate of all potential product warranty claims. Of this total, $6,050 reflects the current estimate of the Company’s exposure for potential product warranty claims related to concrete tie production. While the Company believes this is a reasonable estimate of its potential contingencies related to identified concrete tie warranty matters, the Company may incur future charges associated with new customer claims or further development of information for existing customer claims. Thus, there can be no assurance that future potential costs pertaining to warranty claims will not have a material impact on the Company’s results of operations and financial condition.

The Company and the Union Pacific Railroad (UPRR) have been unable to reconcile the disagreement related to the 2013 warranty replacement activity. In the event the UPRR continues to replace ties and assert warranty claims in the same manner as 2013, the Company is likely to have a disagreement relating to the number of ties eligible for warranty claim.

The Company has denied the UPRR’s claim that it is in material breach of the 2012 amended supply agreement and intends to continue discussions with the UPRR in an effort to reconcile previously replaced ties as well as address the future warranty tie replacement process.

It is the Company’s intention to continue to work with the UPRR to reconcile previously replaced concrete ties, however, the Company acknowledges that the 2012 amended supply agreement could be terminated prior to the agreement’s expiration date. See Note 15 of the Notes to Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

Total debt related to capital lease obligations was $433 and $56 as of March 31, 2014 and December 31, 2013, respectively.

Our need for liquidity relates primarily to seasonal working capital requirements for continuing operations, capital expenditures, joint venture capital obligations, strategic investments or acquisitions, debt service obligations, share repurchases, and dividends.

The following table summarizes the year-to-date impact of these items:

	March 31, 2014	2013
Liquidity needs:		
Working capital and other assets and liabilities	$25,381	$(24,969)
Capital expenditures	(3,499)	(1,031)
Other long-term debt repayments	(19)	(18)
Treasury stock acquisitions	(747)	(547)
Dividends paid to common shareholders	(309)	(310)
Acquisition of business	(495)	—
Cash interest paid	(87)	(86)
Net liquidity requirements	20,225	(26,961)
Liquidity sources:		
Internally generated cash flows before interest paid	6,741	7,439
Dividends from LB Pipe & Coupling Products, LLC	90	378
Proceeds from asset sales	184	8
Equity transactions	85	189
Other long-term debt proceeds	316	—
Foreign exchange effects	(1,194)	(1,206)
Net liquidity sources	6,222	6,808
Discontinued operations	61	124
Net Change in Cash	$26,508	$(20,029)

Cash Flow from Continuing Operating Activities

During the current 2014 period, cash flows from continuing operations provided $32,125, an increase of $49,363, compared to the 2013 period. For the three months ended March 31, 2014, income, adjustments to income from continuing operating activities, and dividends from the joint venture provided $6,744 compared to $7,731 in the 2013 period. Working capital and other assets and liabilities provided $25,381 in the current period compared to use of $24,969 in the prior year period. The December 31, 2013 accounts receivable balance included certain large project receivables from customers with longer payment terms. Cash collections on these receivables led to the significant increase in cash flows from continuing operations for the period ended March 31, 2014.

The Company’s calculation for days sales outstanding at March 31, 2014 was 55 days compared to 52 days at December 31, 2013 and we believe our receivable portfolio is strong. The increase is attributable to the reduction in sales during the current quarter as well a larger average receivable balance compared to the March 31, 2014 ending balance.

Cash Flow from Continuing Investing Activities

Capital expenditures were $3,499 for the first three months of 2014 compared to $1,031 for the same 2013 period. Current period expenditures related to improvements to our Birmingham, AL coated products facility, equipment costs to expand into adjacent markets within our bridge products and Ball Winch coated products businesses, and general plant and yard improvements. During the prior year, capital expenditures related to improvements to our machinery and equipment across each segment with no individually significant additions. During the quarter we also made a post closing working capital payment of $495 related to our acquisition of Ball Winch. We anticipate total capital spending in 2014 will range between $18,000 and $22,000 and will be funded by cash flow from continuing operations.

Cash Flow from Financing Activities

During the periods ended March 31, 2014 and 2013, we did not purchase any common shares of the Company under our existing share repurchase authorization. However, we withheld 17,045 and 12,057 shares for approximately $747 and $547 for the periods ended March 31, 2014 and 2013, respectively. These amounts were withheld from employees to pay their withholding taxes in connection with the exercise and/or vesting of options and restricted stock awards. Cash outflows related to dividends were approximately $309 and $310 for the periods ended March 31, 2014 and 2013, respectively. Funding for equipment debt of $316 was also included in proceeds from financing activities for the period ended March 31, 2014.

Cash Flow from Discontinued Operations

For the three-month periods ended March 31, 2014 and 2013, cash flows from discontinued operations provided $61 and $124 from operating activities, respectively.

Financial Condition

As of March 31, 2014, we had $91,131 in cash and cash equivalents and credit facilities with $126,655 of availability while carrying only $433 in total debt. As of March 31, 2014, we were in compliance with all of the Credit Agreements' covenants. We believe this liquidity will provide the flexibility to take advantage of both organic and external investment opportunities.

Included within cash and cash equivalents are money market funds with various underlying securities. Our priority continues to be short-term maturities and the preservation of our principal balances. Approximately $48,690 of our cash and cash equivalents was held in non-domestic bank accounts, and is not available to fund domestic operations unless repatriated. It is management's intent to indefinitely reinvest such funds outside of the United States, as the Company would need to accrue and pay additional income and withholding taxes if these funds were repatriated.

Borrowings under our Credit Agreement bear interest at rates based upon either the base rate or LIBOR-based rate plus applicable margins. Applicable margins are dictated by the ratio of our indebtedness less cash on hand to our consolidated EBITDA. The base rate is the highest of (a) PNC Bank's prime rate or (b) the Federal Funds Rate plus .50% or (c) the daily LIBOR rate plus 1.00%. The base rate spread ranges from 0.00% to 1.00%. LIBOR-based rates are determined by dividing the published LIBOR rate by a number equal to 1.00 minus the percentage prescribed by the Federal Reserve for determining the maximum reserve requirements with respect to any Eurocurrency funding by banks on such day. The LIBOR-based rate spread ranges from 1.00% to 2.00%.

The Credit Agreement includes two financial covenants: (a) the Leverage Ratio, defined as the Company's Indebtedness less cash on hand divided by the Company's consolidated EBITDA, which must not exceed 3.00 to 1.00 and (b) Minimum Interest Coverage, defined as consolidated EBITDA less Capital Expenditures divided by consolidated interest expense, which must be no less than 3.00 to 1.00.

As of March 31, 2014, the Company was in compliance with the Credit Agreement's covenants.

Critical Accounting Policies

The Condensed Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States. When more than one accounting principle, or method of its application, is generally accepted, management selects the principle or method that is appropriate in the Company's specific circumstances. Application of these accounting principles requires management to make estimates about the future resolution of existing uncertainties. As a result, actual results could differ from these estimates. In preparing these financial statements, management has made its best estimates and judgments of the amounts and disclosures included in the financial statements giving due regard to materiality. There have been no material changes in the Company's critical accounting policies or estimates since December 31, 2013. A summary of the Company's critical accounting policies and estimates is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements include operating leases, purchase obligations, and standby letters of credit. A schedule of the Company's required payments under financial instruments and other commitments as of December 31, 2013 is included in the "Liquidity and Capital Resources" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2013. These arrangements provide the Company with increased flexibility relative to the utilization and investment of cash resources. There were no material changes to these arrangements during the three-month period ended March 31, 2014.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company does not purchase or hold any derivative financial instruments for trading purposes.

At contract inception, the Company designates its derivative instruments as hedges. The Company recognizes all derivative instruments on the balance sheet at fair value. Fluctuations in the fair values of derivative instruments designated as cash flow hedges are recorded in accumulated other comprehensive income and reclassified into earnings within other income as the underlying hedged items affect earnings. To the extent that a change in a derivative does not perfectly offset the change in value of the interest rate being hedged, the ineffective portion is recognized in earnings immediately.

Foreign Currency Exchange Rate Risk

The Company is subject to exposures to changes in foreign currency exchange rates. The Company manages its exposure to changes in foreign currency exchange rates on firm sale and purchase commitments by entering into foreign currency forward contracts. The Company's risk management objective is to reduce its exposure to the effects of changes in exchange rates on these transactions over the duration of the transactions. The Company did not engage in foreign currency hedging transactions during the three-month period ended March 31, 2014.

Item 4. Controls and Procedures

a) L.B. Foster Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a—15(e) under the Securities and Exchange Act of 1934, as amended) as of March 31, 2014. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to timely alert them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic Securities and Exchange Commission filings.

b) There have been no changes in the Company's internal controls over financial reporting that occurred in the period covered by this report that have materially affected or are likely to materially affect the Company's internal controls over financial reporting.

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PART II. OTHER INFORMATION
(Dollars in thousands, except share data)

Item 1. Legal Proceedings

See Note 15, “Commitments and Contingent Liabilities,” to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors

In addition to the risk factors and other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the SEC on February 27, 2014, which could materially affect our business, financial condition, financial results, or future performance. The risks described in our Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known or that we currently deem to be immaterial may also materially affect our business, financial condition and/or results of operations.

We may be impacted by new regulations related to conflict minerals.

The SEC, as directed in The Dodd-Frank Wall Street Reform and Consumer Protection Act, adopted new rules establishing disclosure and reporting requirements regarding the use of certain minerals referred to as “conflict minerals” in products. These new rules require us to determine, disclose, and report whether or not such conflict minerals originate from the Democratic Republic of the Congo or adjoining countries. The requirements could affect the sourcing, availability, and cost of minerals used in the manufacture of certain of the products we sell, including some that we contract to manufacture. In addition, our customers may require that our products be free of conflict minerals and our revenues may be harmed if we are unable to procure conflict-free minerals at a reasonable price. We may face reputation challenges with our customers and other stakeholders if we are unable to verify sufficiently the origins of all minerals used in our products.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The Company’s purchases of equity securities for the three-month period ended March 31, 2014 were as follows:

	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
January 1, 2014—January 31, 2014	—	$ —	—	$ 15,000
February 1, 2014—February 28, 2014	—	—	—	15,000
March 1, 2014—March 31, 2014	—	—	—	15,000
Total	—	$ —	—	$ 15,000

(1) On December 4, 2013, the Board of Directors authorized the repurchase of up to $15,000 of the Company’s common shares until December 31, 2016. This authorization became effective January 1, 2014.

While we did not purchase any common shares of the Company during the three month period ended March 31, 2014 under our existing share repurchase authorization, we did withhold 17,045 shares for approximately $747 from employees to pay their withholding taxes in connection with the exercise and/or vesting of options and restricted stock awards.

Item 4. Mine Safety Disclosures

This item is not applicable to the Company.

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Item 6. Exhibits

All exhibits are incorporated herein by reference:

*10.1	2014 Executive Annual Incentive Compensation Plan.
*10.2	Form of 2014 Restricted Stock Agreement.
*10.3	2013 Executive Annual Incentive Compensation Plan.
*10.4	2012 Executive Annual Incentive Compensation Plan.
*31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
*32.0	Certification of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
***101.INS	XBRL Instance Document.
***101.SCH	XBRL Taxonomy Extension Schema Document.
***101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
***101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
***101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
***101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

* Exhibits marked with an asterisk are filed herewith.
** Identifies management contract or compensatory plan or arrangement required to be filed as an Exhibit.
*** In accordance with SEC Release 33-8238, the certifications contained in Exhibits 32 are being furnished and not filed.

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.

L.B. FOSTER COMPANY
(Registrant)

Date: May 5, 2014

By: /s/ David J. Russo
David J. Russo
Senior Vice President,
Chief Financial Officer and Treasurer
(Duly Authorized Officer of Registrant)

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Index to Exhibits

All exhibits are incorporated herein by reference:

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Exhibit 10.1

THE L. B. FOSTER COMPANY
2014
EXECUTIVE ANNUAL INCENTIVE COMPENSATION PLAN

The purpose of this document is to establish in writing the 2014 performance goals and other terms applicable to the 2014 awards authorized under the L. B. Foster Company Executive Annual Incentive Compensation Plan ("Plan") for the Fiscal Year (as defined below).

I. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Plan. The following terms shall be defined as follows:

1.1 "Company" shall mean L. B. Foster Company and those subsidiaries thereof in which L. B. Foster Company owns 100% of the outstanding common stock.

1.2 "Operating Unit" shall mean the Company's units or divisions which are reported in the Company's internal financial statements and set forth in Schedule 1.10.

1.3 "Component" of any Operating Unit shall be as set forth in Schedule 1.10.

1.4 "Financial Performance Award" shall mean an award, as determined for each Participant, equal to (i) the "Participant's Target Incentive" multiplied by (ii) the applicable aggregate percentage specified for Financial Performance Awards under Section 3.2, the payment of which shall be contingent solely upon the attainment of the objective financial performance goals established by the Committee for Corporate and Operating Unit Pre-Tax Income, Corporate and Operating Unit Working Capital as a Percentage of Sales, and Corporate ROIC for the Fiscal Year as set forth in Schedule 1.10.

1.5 "Base Compensation" shall mean the total base salary, rounded to the nearest whole dollar, actually paid to a Participant during the Fiscal Year, excluding incentive compensation, commissions, reimbursement of expenses, severance, car allowances or all other payments not deemed part of a Participant's base salary; provided, however, that the Participant's contributions to the Company's 401(k) plan(s) and the payment of overtime shall be included in Base Compensation. To the extent applicable, Base Compensation for Participants who terminate during the Fiscal Year shall include only such Base Compensation paid to such Participants during the Fiscal Year for the period prior to such termination.

1.6 "Participant" shall mean all executive officers of the Company set forth on Schedule 1.11.

1.7 "Participant's Target Incentive" shall mean the product of the Base Compensation of a Participant multiplied by the target percentage established for a Participant pursuant to section 3.1 hereof.

1.8 “Fiscal Year” means the 2014 calendar year (January 1, 2014 through December 31, 2014).

1.9 “Pre-Tax Income” shall mean the pre-tax income for the Fiscal Year, determined in accordance with generally accepted accounting principles, including the applicable LIFO charge or credit but excluding: (i) all expenses, costs, profits, losses or gains (exclusive of employee travel) attributable to (a) the sale (or attempted sale), other than sales of inventory in the ordinary course of business, of more than 25% of the assets of an “Operating Unit” or 50% of the assets of a Component in the Fiscal Year, or (b) the acquisition, or unsuccessful attempted acquisition, of a business in the Fiscal Year; (ii) the costs of the Plan for domestic Operating Units; (iii) the impact on any Operating Unit from any administrative intercompany charges related to transfer pricing compliance where the consolidated impact is zero; (iv) any costs related to purchase accounting step up in the basis of tangible or intangible assets not classified as depreciation and amortization; (v) investment income or losses arising from non-operating investments of cash pursuant to the Company’s investment policy; and (vi) any extraordinary, unusual, infrequent or non-recurring items which are quantified and must be disclosed in management’s discussion and analysis of financial conditions and results of operations in the Company’s Annual Report on Form 10-K for such period. Notwithstanding the foregoing, in the event more than 25% of the assets of an Operating Unit or 50% of the assets of a Component are sold, excluding sales of inventory in the ordinary course of business, during the Fiscal Year, such Operating Unit’s or Component’s, as applicable, Plan Target and Actual Pre-Tax Income shall be eliminated from all calculations.

1.10 “Working Capital as a Percentage of Sales” (“W/C as a % of Sales”) shall mean with respect to the Company, or as applicable, for an Operating Unit, for the Fiscal Year, the average monthly balances of Inventory and Accounts Receivable less the average monthly balances of Accounts Payable and Deferred Revenue divided by annual net sales.

1.11 “Return on Invested Capital” (“ROIC”) shall mean, with respect to the Company for the Fiscal Year: (A) after tax earnings from continuing operations before interest income and interest expense and amortization charges and any costs recognized related to a purchase accounting step up in the basis of tangible or intangible assets not classified as amortization (all tax affected using the effective corporate tax rate) and excluding: (i) the effect of changes in accounting principles (ii) all expenses, costs, profits, losses, and gains (exclusive of employee travel) attributable to (a) the sale, excluding sales of inventory in the ordinary course of business, of more than 25% of the assets of an “Operating Unit” or, more than 50% of the assets of a Component, or (b) the acquisition, or unsuccessful attempted acquisition, of a business in 2014, and (iii) any extraordinary, unusual, infrequent or non-recurring items which are quantified and are disclosed in management’s discussion and analysis of financial conditions and results of operations in the Company’s Annual Report on Form 10-K for such period, divided by (B) an average of month end total assets less the sum of cash, marketable securities and non-interest bearing current liabilities, determined in accordance with generally accepted accounting principles.

1.12 "Target Working Capital as a Percent of Sales (Corporate and Operating Unit), Target Pre-Tax Income (Corporate and Operating Unit), and Target ROIC" shall mean the respective targets as set forth in Schedule 1.10.

II. ELIGIBILITY

2.1 Additional Conditions. Subject to the terms and conditions set forth herein and in the Plan and unless the Committee determines otherwise, in its sole discretion, a Participant's right, if any, to receive payment of their respective Financial Performance Awards shall also be contingent upon satisfaction of each of the following requirements:

a. A Participant must execute a Confidentiality, Intellectual Property and Non-Compete Agreement in a form satisfactory to the Committee and deliver the executed agreement to the Company's Vice President, Human Resources and Administration on or before October 1 of the applicable Fiscal Year. If a Participant previously has executed a Confidentiality, Intellectual Property and Non-Compete Agreement, the Participant need not execute and deliver another Confidentiality, Intellectual Property and Non-Compete Agreement.

b. A Participant's Target Percentage award shall be as set forth in Section 3.1. In the event a Participant changes from one position to another position set forth in Section 3.1 or is promoted into one of the positions set forth in Section 3.1 during the Fiscal Year performance period, the Target Percentage for such Participant shall be pro-rated between the Target Percentages of each position held during the Fiscal Year based on which position was held on the first day of each month in the Fiscal Year performance period and may be allocated among different Operating Units as determined by the Committee. Any newly hired Participant shall have a Target Percentage as set forth in Section 3.1, provided their employment began in such position by October 1 of the Fiscal Year performance period.

c. Except as otherwise expressly set forth in Section 6(b) of the Plan or as otherwise determined by the Committee, if a Participant's employment terminates with the Company prior to the Payment Date, the Participant shall forfeit any and all rights to payment or any Financial Performance Award granted hereunder.

III. AWARDS

3.1 Target Percentages. Each Participant shall have a Target Percentage based upon the position held by such Participant, as follows:

Title*	Target Percentage
Other	**
Controller or Executive Director	30%
Vice President; CXT President	40%
Sr. Vice President	50%
Sr. Vice President & CFO or Executive Vice President	55%
Chief Executive Officer	75%

* Refers solely to officers of L.B. Foster Company and not, except with respect to CXT President, officers of a subsidiary.
** As determined by the Committee.

Other employees selected by the Committee may also be made Participants in the Plan on such terms as may be approved by the Committee and consistent with the terms of the Plan.

3.2 Target Amount. The target amount of a Participant's Financial Performance Award, if any, shall be determined and allocated based on the percentages specified in the table below (and Schedule 1.11)

	Metric	CEO, Sr VP & CFO; ;VP-Business Development; VP-Human Resources & Admin; VP & General Counsel; and Controller and CAO	VP's and SVP Responsible for Operating Unit(s)
Financial Performance Awards	Corporate ROIC	15%	—
	Operating Unit Pre-Tax Income	—	50%
	Working Capital as a % of Sales	15%	20%
	Corporate Pre-Tax Income	70%	30%

3.3 Financial Performance Award Multiplier. Subject to the terms and conditions set forth herein and in the Plan, the amount of Financial Performance Award earned shall be calculated (as allocated under Section 3.2) based on the actual level of attainment of Working Capital as a Percentage of Sales, Pre-Tax Income and ROIC relative to Target W/C as a % of Sales (Corporate and Operating Unit), Target Pre-Tax Income (Corporate and Operating Unit) and/or Target ROIC(as allocated under Section 3.2) utilizing the percentage multiplier as set forth in the following tables:

a. Pre-Tax Income Multiplier (Corporate/Operating Unit)

% of Target Pre-Tax Income	Corporate or Operating Unit Multiplier
170% and over	200%
160%	185%
150%	175%
140%	160%
130%	145%
120%	130%
110%	115%
100%	100%
90%	84%
80%	68%
70%	52%
60%	36%
50%	20%
Less than 50%	0%

b. ROIC Multiplier

% of Target ROIC	ROIC Multiplier
127.5% and over	200%
123.0%	167%
112.8%	133%
100.0%	100%
93.7%	73%
87.8%	47%
80.0%	20%
Less than 80.0%	0.0%

c. W/C as a % of Sales Multiplier

% of Target Average W/C as a % of Sales	Corporate or Operating Unit Multiplier
86.0% and under	200%
88.7%	175%
91.3%	150%
94.3%	130%
97.4%	115%
100.0%	100%
102.9%	80%
106.5%	60%
110.0%	40%
Greater than 110.0%	0%

The calculation of the percent of target achieved in the above tables shall be adjusted proportionately to reflect whole percentages achieved between the levels in the table. For example, if Corporate achieved 73% of Target Pre-Tax Income, the percent of target achieved would be 57%; if Corporate achieved 137% of Target Pre-Tax Income, the percent of target achieved would be be156%.

3.4 Limitation on Financial Performance Award. Notwithstanding any provision to the contrary, a Participant's Financial Performance Award shall not exceed $1,000,000 for any Participant for the Fiscal Year performance period under the Plan. In the event that the amount of any such award for the Fiscal Year earned exceeds $1,000,000 for a Participant, such award shall be reduced to $1,000,000.

IV. RECOUPMENT

In the event the Company is required to prepare an accounting restatement applicable to any financial reporting period covering a period within the Fiscal Year due to the material noncompliance of the Company with any financial reporting requirement under the securities laws or other applicable law and if the Committee, in its discretion, so determines, each "Specified Participant" (as defined below) shall pay to the Company, in cash, all cash paid to or on behalf of such Participant under the Plan for the Fiscal Year in excess of the amount of such compensation that would have been paid to the Participant for the Fiscal Year based on the restated financial results. Any such payment shall be made within the time periods prescribed by the Committee. The term "Specified Participant" means any Participant that the Committee has determined, in its sole discretion, has committed fraud, negligence, or intentional misconduct that was a significant contributing factor to the Company having to prepare an accounting restatement. A Specified Participant's failure to make any such timely payment to the Company constitutes an independent and material breach of the terms and conditions of the Plan, for which the Company may seek recovery of the unpaid amount as liquidated damages, in addition to all other rights and remedies the Company may have against the Participant. By participating in the Plan, each Participant agrees that timely payment to the Company as set forth in this Section IV is (i) reasonable and necessary, (ii) is not a penalty, and (iii) does not preclude the Company from seeking all other remedies that may be available to the Company.

The Committee, in its discretion, shall determine whether the Company shall effect any such recovery (i) by seeking repayment from the Specified Participant, (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the Specified Participant under any compensatory plan, program or arrangement maintained by the Company or any of its affiliates, (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices, or (iv) by any combination of the foregoing.

Notwithstanding any other provisions of this document, if the awards granted pursuant to this document become subject to recovery under any Company policy adopted hereafter and required by law, regulation or stock exchange listing requirement, the awards shall be subject to such deductions, recoupment, and clawback as may be required to be made pursuant to such Company policy (the "Clawback Requirement"). In the event the awards granted pursuant to this document and the Plan become subject to such Clawback Requirement, then the awards shall be subject to such Clawback Requirement, and this Section IV shall no longer apply to such awards.

Notwithstanding the foregoing, the Company shall not be required to make any additional payment in the event that the restated financial results would have resulted in a greater payment to any Participant.

V. COMPENSATION COMMITTEE

All determinations with respect to any Financial Performance Award shall be made by the Committee and shall be final, conclusive and binding on the Company, the Participant and any and all interested parties. No payment of a Financial Performance Award shall be made prior to the Committee certifying in writing that the performance goals and other material terms applicable to such awards for the Fiscal Year as set forth herein (including the Schedules attached hereto) have been attained.

The undersigned Chairman of the Committee hereby certifies, on behalf of the Committee, that the performance goals and other material terms applicable to the awards for the Fiscal Year as set forth herein (including the Schedules attached hereto) have been determined and approved at the Committee meeting of even date herewith.

By: /s/ William H. Rackoff
William H. Rackoff
Chairman, Compensation Committee

Date: 02/25/14

Exhibit 10.2

RESTRICTED STOCK AGREEMENT
(EXECUTIVE)
(Section 5.1 Of The Omnibus Incentive Plan, As Amended And Restated)

This Restricted Stock Agreement set forth below (this "***Agreement***") is dated as of the "***Issue Date***") and is between L. B. Foster Company, a Pennsylvania corporation ("***Company***"), and (the "***Stockholder***").

The Company has established its 2006 Omnibus Incentive Plan, as Amended and Restated (the "***Plan***"), to advance the interests of the Company and its stockholders by providing incentives to certain eligible persons who contribute significantly to the strategic and long-term performance objectives and growth of the Company. All capitalized terms not otherwise defined in this Agreement have the same meaning given them in the Plan.

Pursuant to the provisions of the Plan, the Committee has full power and authority to direct the execution and delivery of this Agreement in the name and on behalf of the Company, and has authorized the execution and delivery of this Agreement.

AGREEMENT

The parties, intending to be legally bound hereby, agree as follows:

Section 1. *Issuance of Stoc*k. Subject and pursuant to all terms and conditions stated in this Agreement and in the Plan, as of the Issue Date the Company hereby grants to Stockholder shares of Company Common Stock, par value $0.01 per share (the "***Common Stock***") pursuant to Article V of the Plan. For purposes of this Agreement, the "***Shares***" shall include all of the shares of Common Stock issued to Stockholder pursuant to this Agreement or issued with respect to such shares of Common Stock, including, but not limited to, shares of Company capital stock issued by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization.

Section 2. *Vesting; Rights; Obligations; and Restrictions on Transfer*.

(a) None of the Shares may be sold, transferred, pledged, hypothecated or otherwise encumbered or disposed of until they have vested in accordance with the terms of this Section 2. Except as set forth in this Section 2, effective at the close of business on the date Stockholder ceases to be employed by the Company or an affiliate of the Company, any Shares that are not vested in accordance with this Section 2, and any dividends accrued pursuant to Section 2(c) below, shall be automatically forfeited without any further obligation on the part of the Company. Stockholder hereby assigns and transfers any forfeited Shares and the stock certificate(s) or other evidence of ownership representing such Shares to the Company.

(b) All of the Shares will vest on . However, if a Change of Control occurs prior to the end of the full vesting period and (i) Stockholder experiences an involuntary Separation from Service by the Company other than (A) a Termination for Cause, (B) death, or (C) Disability, or the Stockholder terminates for Good Reason (as defined below) within the 90-day period immediately preceding a Change of Control, or on or within the two-year period immediately following a Change of Control, or (ii) the acquiring entity in a Change of Control does not assume this Agreement and convert the Shares into a substantially comparable award of capital stock or other equity incentive instrument in such acquiring entity as determined by the Board of Directors, any unvested Shares shall immediately vest. Vesting shall be tolled during any period in which Stockholder is on an approved leave of absence from employment with the Company or an affiliate of the Company.

(c) Subject to the foregoing provisions of this Section 2 and the provisions of the Plan, Stockholder shall have all rights of a shareholder with respect to the Shares, including the right to vote the Shares and to receive dividends, *provided*, *however*, that until such time as the Shares, or portion thereof, shall have vested, the Company shall accrue on its books and records for the benefit of the Stockholder an amount equal to the dividend payment that would otherwise have been received on the Shares but for this agreement to accrue the dividend payments. Dividends accrued for the benefit of the Stockholder shall be payable as the Shares vest with payment to be made by the Company, or its agent, within ten (10) business days after vesting. For purposes of clarity, if this Agreement provides that only a portion of the Shares vest on a given date, accrued dividends shall only be payable on that portion of Shares vesting and not on any Shares that remain unvested.

(d) For purposes of this Agreement, “Good Reason” means the Stockholder’s Separation from Service as a result of the occurrence, without the Stockholder’s written consent, of one of the following events:

(i) A material reduction in the Stockholder’s annual base salary (unless such reduction relates to an across-the-board reduction similarly affecting Stockholder and all or substantially all other executives of the Company and its affiliates);

(ii) The Company (or the Subsidiary employing Stockholder) makes or causes to be made a material adverse change in the Stockholder’s position, authority, duties or responsibilities which results in a significant diminution in the Stockholder’s position, authority, duties or responsibilities, excluding any change made in connection with (A) a reassignment to a New Job Position (as defined herein), or (B) a termination of Stockholder’s employment with the Company for Disability, Termination for Cause, death, or temporarily as a result of Participant’s incapacity or other absence for an extended period; (For purposes of this Agreement, “New Job Position” means a change in the Stockholder’s position, authority, duties or responsibilities with the Company or any affiliate due to the Stockholder’s demonstrated inadequate or unsatisfactory performance, provided the Stockholder had been notified of such inadequate performance and had been given at least 30 days to cure such inadequate performance.)

(iii) A relocation of the Company's principal place of business, or of Stockholder's own office as assigned to Stockholder by the Company or the Subsidiary employing Stockholder to a location that increases Stockholder's normal work commute by more than 50 miles; or

(iv) Any other action by the Company or the Subsidiary employing Stockholder that constitutes a material breach of the employment agreement, if any, under which Stockholder's services are to be performed.

In order for Stockholder to terminate for Good Reason, (A) the Company must be notified by Stockholder in writing within 90 days of the event constituting Good Reason, (B) the event must remain uncorrected by the Company for 30 days following such notice (the "Notice Period"), and (C) such termination must occur within 60 days after the expiration of the Notice Period.

(e) The certificates, if any, representing unvested Shares will bear the following or similar legend:

"The securities represented by this certificate are subject to forfeiture and restrictions on transfer as set forth in the Restricted Stock Agreement between the issuer and the initial holder of these shares. A copy of that document may be obtained by the holder without charge at the issuer's principal place of business or upon written request."

Section 3. *Investment Representation*. Stockholder hereby acknowledges that the Shares cannot be sold, transferred, assigned, pledged or hypothecated in the absence of an effective registration statement for the shares under the Securities Act of 1933, as amended (the "***Securities Act***"), and applicable state securities laws or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws or as otherwise provided herein or in the Plan. Stockholder also agrees that the Shares which Stockholder acquires pursuant to this Agreement will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable securities laws, whether federal or state.

Section 4. *Book Entry Account*. At the discretion of the Company, certificates for the shares may not be issued. In lieu of certificates, the Company may establish a book entry account for the Shares, until vested, in the name of the Stockholder with the Company's transfer agent for its Common Stock.

Section 5. *Income Taxes*. Stockholder acknowledges that any income for federal, state or local income tax purposes that Stockholder is required to recognize on account of the issuance of the Shares to Stockholder shall be subject to withholding of tax by the Company. In accordance with administrative procedures established by the

Company, Stockholder may elect to satisfy Stockholder's minimum statutory withholding tax obligations, if any, on account of the vesting of Shares hereunder in one or a combination of the following methods: in cash or by separate check made payable to the Company and/or authorizing the Company to withhold a number of vested Shares issued hereunder equal to the applicable minimum statutory withholding tax obligation. In the event Stockholder does not make such payment when requested, the Company may refuse to issue or cause to be delivered any Shares under this Agreement or any other incentive plan agreement entered into by Stockholder and the Company until such payment has been made or arrangements for such payment satisfactory to the Company have been made. Stockholder agrees further to notify the Company promptly if Stockholder files an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "***Code***"), with respect to any Shares.

Section 6. ***No Right to Employment.*** Neither the Plan nor this Agreement shall be deemed to give Stockholder any right to continue to be employed by the Company, nor shall the Plan or the Agreement be deemed to limit in any way the Company's right to terminate the employment of the Stockholder at any time.

Section 7. ***Further Assistance*****.** Stockholder will provide assistance reasonably requested by the Company in connection with actions taken by Stockholder while employed by the Company, including but not limited to assistance in connection with any lawsuits or other claims against the Company arising from events during the period in which Stockholder was employed by the Company.

Section 8. ***Binding Effect; No Third Party Beneficiaries*****.** This Agreement shall be binding upon and inure to the benefit of the Company and Stockholder and their respective heirs, representatives, successors and permitted assigns. This Agreement shall not confer any rights or remedies upon any person other than the Company and the Stockholder and their respective heirs, representatives, successors and permitted assigns. The parties agree that this Agreement shall survive the issuance of the Shares.

Section 9. ***Agreement to Abide by Plan; Conflict between Plan and Agreement.*** The Plan is hereby incorporated by reference into this Agreement and is made a part hereof as though fully set forth in this Agreement. Stockholder, by execution of this Agreement, represents that he or she is familiar with the terms and provisions of the Plan and agrees to abide by all of the terms and conditions of this Agreement and the Plan. Stockholder accepts as binding, conclusive and final all decisions or interpretations of the Committee upon any question arising under the Plan or this Agreement (including, without limitation, the date of any termination of Stockholder's employment with the Company). In the event of any conflict between the Plan and this Agreement, the Plan shall control and this Agreement shall be deemed to be modified accordingly, except to the extent that the Plan gives the Committee the express authority to vary the terms of the Plan by means of this Agreement, in which case this Agreement shall govern.

Section 10. ***Entire Agreement*.** Except as otherwise provided herein, this Agreement and the Plan, which Stockholder has reviewed and accepted in connection with the grant of the Shares reflected by this Agreement, constitute the entire agreement between the parties and supersede any prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they related in any way to the subject matter of this Agreement.

Section 11. ***Choice of Law*.** To the extent not superseded by federal law, the laws of the Commonwealth of Pennsylvania (without regard to the conflicts laws thereof) shall control in all matters relating to this Agreement and any action relating to this Agreement must be brought in State or Federal Courts located in the Commonwealth of Pennsylvania.

Section 12. ***Notice***. All notices, requests, demands, claims, and other communications under this Agreement shall be in writing. Any notice, request, demand, claim, or other communication under this Agreement shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient at the following address: If to the Company, L. B. Foster Company, 415 Holiday Drive, Pittsburgh, PA 15220, Attn: Secretary; and if to the Stockholder, to his or her address as it appears on the Company's records. Either party to this Agreement may send any notice, request, demand, claim, or other communication under this Agreement to the intended recipient at such address using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party to this Agreement may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other party notice in the manner set forth in this section.

Section 13. ***Counterparts*.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 14. ***Amendments*.** This Agreement may be amended or modified at any time by an instrument in writing signed by the parties hereto, or as otherwise provided under the Plan. Notwithstanding, the Company may, in its sole discretion and without the Stockholder's consent, modify or amend the terms of this Agreement, impose conditions on the timing and effectiveness of the issuance of the Shares, or take any other action it deems necessary or advisable, to cause this Award to be excepted from Section 409A of the Code (or to comply therewith to the extent the Company determines it is not excepted).

Section 15. ***Acknowledgments*.**

(a) By accepting the Shares, the Stockholder acknowledges receipt of a copy of the Plan and agrees to be bound by the terms and conditions set forth in the Plan and this Agreement, as in effect and/or amended from time to time.

(b) The Plan and related documents may be delivered to you electronically. Such means of delivery may include but do not necessarily include the delivery of a link to a Company intranet site or the internet site of a third party involved in administering the Plan, the delivery of the documents via e-mail or CD-ROM or such other delivery determined at the Committee's discretion. Both Internet Email and the World Wide Web are required in order to access documents electronically.

(c) This Award is intended to be excepted from coverage under Section 409A of the Code and the regulations promulgated thereunder and shall be interpreted and construed accordingly. Notwithstanding, Stockholder recognizes and acknowledges that Section 409A of the Code may impose upon the Stockholder certain taxes or interest charges for which the Stockholder is and shall remain solely responsible.

(d) Stockholder acknowledges that, by receipt of this Award, Stockholder has read this Section 15 and consents to the electronic delivery of the Plan and related documents, as described in this Section 15. Stockholder acknowledges that Stockholder may receive from the Company a paper copy of any documents delivered electronically at no cost if Stockholder contacts the Company's General Counsel by telephone at (412) 928-7829 or by mail to L.B. Foster Company, 415 Holiday Drive, Pittsburgh, PA 15220 ATTN: General Counsel. Stockholder further acknowledges that Stockholder will be provided with a paper copy of any documents delivered electronically if electronic delivery fails.

IN WITNESS WHEREOF, the Company has caused a duly authorized officer to execute this Agreement on its behalf, and the Stockholder has placed his/her signature hereon, effective as of the Issue Date.

L. B. FOSTER COMPANY

By: ______________________________

Title: ______________________________

ACCEPTED AND AGREED TO:

____________________, Stockholder

THE L. B. FOSTER COMPANY
2013
EXECUTIVE ANNUAL INCENTIVE COMPENSATION PLAN

The purpose of this document is to establish in writing the 2013 performance goals and other terms applicable to the 2013 awards authorized under the L. B. Foster Company Executive Annual Incentive Compensation Plan ("Plan") for the Fiscal Year (as defined below).

I. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Plan. The following terms shall be defined as follows:

1.1 "Company" shall mean L. B. Foster Company and those subsidiaries thereof in which L. B. Foster Company owns 100% of the outstanding common stock.

1.2 "Operating Unit" shall mean the Company's units or divisions which are reported in the Company's internal financial statements and set forth in Schedule 1.10.

1.3 "Component" of any Operating Unit shall be as set forth in Schedule 1.10.

1.4 "Financial Performance Award" shall mean an award, as determined for each Participant, equal to (i) the "Participant's Target Incentive" multiplied by (ii) the applicable aggregate percentage specified for Financial Performance Awards under Section 3.2, the payment of which shall be contingent solely upon the attainment of the objective financial performance goals established by the Committee for Corporate and Operating Unit Pre-Tax Income, Corporate and Operating Unit Working Capital as a Percentage of Sales, and Corporate ROIC for the Fiscal Year as set forth in Schedule 1.10.

1.5 "Base Compensation" shall mean the total base salary, rounded to the nearest whole dollar, actually paid to a Participant during the Fiscal Year, excluding incentive compensation, commissions, reimbursement of expenses, severance, car allowances or all other payments not deemed part of a Participant's base salary; provided, however, that the Participant's contributions to the Company's 401(k) plan(s) and the payment of overtime shall be included in Base Compensation. To the extent applicable, Base Compensation for Participants who terminate during the Fiscal Year shall include only such Base Compensation paid to such Participants during the Fiscal Year for the period prior to such termination.

1.6 "Participant" shall mean all executive officers of the Company set forth on Schedule 1.11.

1.7 "Participant's Target Incentive" shall mean the product of the Base Compensation of a Participant multiplied by the target percentage established for a Participant pursuant to section 3.1 hereof.

1.8 “Fiscal Year” means the 2013 calendar year (January 1, 2013 through December 31, 2013).

1.9 “Pre-Tax Income” shall mean the pre-tax income for the Fiscal Year, determined in accordance with generally accepted accounting principles, including the applicable LIFO charge or credit but excluding: (i) any favorable adjustments related to the Grand Island produced concrete ties; (ii) all gains or losses arising from sales of capital assets when the sales price of an individual asset exceeds $200,000; (iii) all expenses, costs, profits, losses or gains (exclusive of travel) attributable to (a) the sale (or attempted sale), other than sales of inventory in the ordinary course of business, of more than 25% of the assets of an “Operating Unit” or 50% of the assets of a Component in the Fiscal Year, or (b) the acquisition, or unsuccessful attempted acquisition, of a business in the Fiscal Year; (iv) the costs of the Plan for domestic Operating Units; and (v) investment income or losses arising from non-operating investments of cash pursuant to the Company’s investment policy. Notwithstanding the foregoing, in the event more than 25% of the assets of an Operating Unit or 50% of the assets of a Component are sold, excluding sales of inventory in the ordinary course of business, during the Fiscal Year, such Operating Unit’s or Component’s, as applicable, Plan Target and Actual Pre-Tax Income shall be eliminated from all calculations.

1.10 “Working Capital as a Percentage of Sales” (“W/C as a % of Sales”) shall mean with respect to the Company, or as applicable, for an Operating Unit, for the Fiscal Year, the average monthly balances of Inventory and Accounts Receivable less the average monthly balances of Accounts Payable and Deferred Revenue divided by annual net sales.

1.11 “Return on Invested Capital” (“ROIC”) shall mean, with respect to the Company for the Fiscal Year: (A) after tax earnings from continuing operations before interest income and interest expense and amortization charges and any costs recognized related to a purchase accounting step up in the basis of tangible or intangible assets not classified as amortization (tax affected using the effective corporate tax rate) and excluding: (i) any favorable adjustments related to the Grand Island produced concrete ties; (ii) all expenses, costs, profits, losses, and gains (exclusive of travel) attributable to (a) the sale, excluding sales of inventory in the ordinary course of business, of more than 25% of the assets of an “Operating Unit” or, more than 50% of the assets of a Component, or (b) the acquisition, or unsuccessful attempted acquisition, of a business in 2013, divided by (B) an average of month end total assets less the sum of cash, marketable securities and non-interest bearing current liabilities, determined in accordance with generally accepted accounting principles.

1.12 “Target Working Capital as a Percent of Sales (Corporate and Operating Unit), Target Pre-Tax Income (Corporate and Operating Unit), and Target ROIC” shall mean the respective targets as set forth in Schedule 1.10.

II. ELIGIBILITY

2.1 Additional Conditions. Subject to the terms and conditions set forth herein and in the Plan and unless the Committee determines otherwise, in its sole discretion, a Participant's right, if any, to receive payment of their respective Financial Performance Awards shall also be contingent upon satisfaction of each of the following requirements:

a. A Participant must execute a Confidentiality, Intellectual Property and Non-Compete Agreement in a form satisfactory to the Committee and deliver the executed agreement to the Company's Vice President – Human Resources on or before October 1 of the applicable Fiscal Year. If a Participant previously has executed a Confidentiality, Intellectual Property and Non-Compete Agreement, the Participant need not execute and deliver another Confidentiality, Intellectual Property and Non-Compete Agreement.

b. A Participant's Target Percentage award shall be as set forth in Section 3.1. In the event a Participant changes from one position to another position set forth in Section 3.1 or is promoted into one of the positions set forth in Section 3.1 during the Fiscal Year performance period, the Target Percentage for such Participant shall be pro-rated between the Target Percentages of each position held during the Fiscal Year based on which position was held on the first day of each month in the Fiscal Year performance period and may be allocated among different Operating Units as determined by the Committee. Any newly hired Participant shall have a Target Percentage as set forth in Section 3.1, provided their employment began in such position by October 1 of the Fiscal Year performance period.

c. Except as otherwise determined by the Committee, if a Participant's employment terminates with the Company prior to the Payment Date, the Participant shall forfeit any and all rights to payment or any Financial Performance Award granted hereunder.

III. AWARDS

3.1 Target Percentages. Each Participant shall have a Target Percentage based upon the position held by such Participant, as follows:

Title*	Target Percentage
Other	**
Controller or Executive Director	30%
Vice President; CXT President	40%
Sr. Vice President	50%
Sr. Vice President & CFO or Executive Vice President	55%
Chief Executive Officer	75%

* Refers solely to officers of L.B. Foster Company and not, except with respect to CXT President, officers of a subsidiary.

** As determined by the Committee.

Other employees selected by the Committee may also be made Participants in the Plan on such terms as may be approved by the Committee and consistent with the terms of the Plan.

3.2 Target Amount. The target amount of a Participant's Financial Performance Award, if any, shall be determined and allocated based on the percentages specified in the table below (and Schedule 1.10)

	Metric	CEO, Sr VP & CFO; Sr VP-Operations; VP-Business Development; VP-Human Resources; VP & General Counsel; and Controller	VP's and Sr VP Responsible for Operating Unit(s)
	Corporate ROIC	15%	—
Financial Performance Awards	Operating Unit Pre-Tax Income	—	50%
	Working Capital as a % of Sales	15%	20%
	Corporate Pre-Tax Income	70%	30%

3.3 Financial Performance Award Multiplier. Subject to the terms and conditions set forth herein and in the Plan, the amount of Financial Performance Award earned shall be calculated and adjusted upward or downward based on the actual level of attainment of Target W/C as a % of Sales (Corporate and Operating Unit), Target Pre-Tax Income (Corporate and Operating Unit) and/or Target ROIC (as allocated under Section 3.2) utilizing the percentage multiplier as set forth in the following tables:

a. Pre-Tax Income Multiplier (Corporate/Operating Unit)

% of Target Pre-Tax Income	Corporate or Operating Unit Multiplier
170% and over	200%
160%	185%
150%	175%
140%	160%
130%	145%
120%	130%
110%	115%
100%	100%
90%	84%
80%	68%
70%	52%
60%	36%
50%	20%
Less than 50%	0%

b. ROIC Multiplier

% of Target ROIC	ROIC Multiplier
127.5% and over	200%
123.0%	167%
112.8%	133%
100.0%	100%
93.7%	73%
87.8%	47%
80.0%	20%
Less than 80.0%	0.0%

c. W/C as a % of Sales Multiplier

% of Target Average W/C as a % of Sales	Corporate or Operating Unit Multiplier
86.0% and under	200%
88.7%	175%
91.3%	150%
94.3%	130%
97.4%	115%
100.0%	100%
102.9%	80%
106.5%	60%
110.0%	40%
Greater than 110.0%	0%

The calculation of the multiplier(s) in the above tables shall be adjusted proportionately to reflect whole percentages achieved between the levels in the table. For example, if Corporate achieved 73% of Target Pre-Tax Income, the multiplier would be 57%; if Corporate achieved 137% of Target Pre-Tax Income, the multiplier would be 156%.

3.4 Limitation on Financial Performance Award. Notwithstanding any provision to the contrary, a Participant's Financial Performance Award shall not exceed $1,000,000 for any Participant for the Fiscal Year performance period under the Plan. In the event that the amount of any such award for the Fiscal Year earned exceeds $1,000,000 for a Participant, such award shall be reduced to $1,000,000.

IV. RECOUPMENT

In the event the Company is required to prepare an accounting restatement applicable to any financial reporting period covering a period within the Fiscal Year due to the material noncompliance of the Company with any financial reporting requirement under the securities laws or other applicable law and if the Committee, in its discretion, so determines, each “Specified Participant” (as defined below) shall pay to the Company, in cash, all cash paid to or on behalf of such Participant under the Plan for the Fiscal Year in excess of the amount of such compensation that would have been paid to the Participant for the Fiscal Year based on the restated financial results. Any such payment shall be made within the time periods prescribed by the Committee. The term “Specified Participant” means any Participant that the Committee has determined, in its sole discretion, has committed fraud, negligence, or intentional misconduct that was a significant contributing factor to the Company having to prepare an accounting restatement. A Specified Participant’s failure to make any such timely payment to the Company constitutes an independent and material breach of the terms and conditions of the Plan, for which the Company may seek recovery of the unpaid amount as liquidated damages, in addition to all other rights and remedies the Company may have against the Participant. By participating in the Plan, each Participant agrees that timely payment to the Company as set forth in this Section IV is (i) reasonable and necessary, (ii) is not a penalty, and (iii) does not preclude the Company from seeking all other remedies that may be available to the Company.

The Committee, in its discretion, shall determine whether the Company shall effect any such recovery (i) by seeking repayment from the Specified Participant, (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the Specified Participant under any compensatory plan, program or arrangement maintained by the Company or any of its affiliates, (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company’s otherwise applicable compensation practices, or (iv) by any combination of the foregoing.

Notwithstanding any other provisions of this document, if the awards granted pursuant to this document become subject to recovery under any Company policy adopted hereafter and required by law, regulation or stock exchange listing requirement, the awards shall be subject to such deductions, recoupment, and clawback as may be required to be made pursuant to such Company policy (the “Clawback Requirement”). In the event the awards granted pursuant to this document and the Plan become subject to such Clawback Requirement, then the awards shall be subject to such Clawback Requirement, and this Section IV shall no longer apply to such awards.

Notwithstanding the foregoing, the Company shall not be required to make any additional payment in the event that the restated financial results would have resulted in a greater payment to any Participant.

V. COMPENSATION COMMITTEE

All determinations with respect to any Financial Performance Award shall be made by the Committee and shall be final, conclusive and binding on the Company, the Participant and any and all interested parties. No payment of a Financial Performance Award shall be made prior to the Committee certifying in writing that the performance goals and other material terms applicable to such awards for the Fiscal Year as set forth herein (including the Schedules attached hereto) have been attained.

The undersigned Chairman of the Committee hereby certifies, on behalf of the Committee, that the performance goals and other material terms applicable to the awards for the Fiscal Year as set forth herein (including the Schedules attached hereto) have been determined and approved at the Committee meeting of even date herewith.

By: /s/ William H. Rackoff
William H. Rackoff
Chairman, Compensation Committee

Date: 02/26/13

THE L. B. FOSTER COMPANY 2012
EXECUTIVE ANNUAL INCENTIVE COMPENSATION PLAN

The purpose of this document is to establish in writing the 2012 performance goals and other terms applicable to the 2012 awards authorized under the L. B. Foster Executive Annual Incentive Compensation Plan (“Plan”).

I. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Plan. The following terms shall be defined as follows:

1.1 “Corporation” shall mean L. B. Foster Company and those subsidiaries thereof in which L. B. Foster Company owns 100% of the outstanding common stock.

1.2 “Operating Unit” shall mean the Corporation’s units or divisions which are reported in the Corporation’s internal financial statements and set forth in schedule 1.10.

1.3 “Component” of any Operating Unit shall be as set forth in Schedule 1.10.

1.4 “Financial Performance Award” shall mean an award, as determined for each Participant, equal to (i) the “Participant’s Target Incentive” multiplied by (ii) the applicable aggregate percentage specified for Financial Performance Awards under Section 3.2, the payment of which shall be contingent solely upon the attainment of the objective financial performance goals established by the Committee for Pre-Tax Income, Working Capital as a Percentage of Sales, Operating Unit ROA and Coporate ROIC for the Fiscal Year.

1.5 “Base Compensation” shall mean the total base salary, rounded to the nearest whole dollar, actually paid to a Participant during the Fiscal Year, excluding incentive compensation, commissions, reimbursement of expenses, severance, car allowances or all other payments not deemed part of a Participant’s base salary; provided, however, that the Participant’s contributions to the Corporation’s 401(k) plan(s) and the payment of overtime shall be included in Base Compensation. To the extent applicable, Base Compensation for Participants who terminate during the Fiscal Year shall include only such Base Compensation paid to such Participants during the Fiscal Year for the period prior to such termination.

1.6 “Participant” shall mean all executive officers of the Corporation pursuant to Schedule 1.11, as amended by the Compensation Committee.

1.7 “Participant’s Target Incentive” shall mean the product of the Base Compensation of a Participant multiplied by the target percentage established for a Participant pursuant to section 3.1 hereof.

1.8 “Fiscal Year” means the 2012 calendar year.

1.9 “Operating Unit Return on Assets” shall mean the return on assets of an Operating Unit for the Fiscal Year, determined by dividing Operating Unit Pretax Income determined in accordance with generally accepted accounting principles, by the average assets employed in the Operating Unit (typically consisting of accounts receivable, inventory, accounts payable, deferred revenue, property, plant and equipment, and certain intangible assets in the same manner as calculated in the Corporation’s annual operating plan.

1.10 “Pre-Tax Income” shall mean the pre-tax income for the Fiscal Year, determined in accordance with generally accepted accounting principles, including the applicable LIFO charge or credit but excluding: (i) any adjustments included in pre-tax income related to the Dakota Minnesota and Eastern Railroad Corporation (“DM&E”) arising from or in connection with the 2007 merger of the DM&E; (ii) all gains or losses arising from sales of capital assets when the sale or purchase price for an individual asset exceeds $200,000; (iii) all expenses, costs, profits, losses or gains (exclusive of travel) attributable to (a) the sale (or attempted sale); other than sales of inventory in the ordinary course of business, of more than 25% of the assets of an “Operating Unit” or 50% of the assets of a Component in the Fiscal Year, or (b) the acquisition, or unsuccessfully attempted acquisition, of a business in 2012 ; (iv) the costs of the Plan for non-Portec Operating Units; (v) the costs related to the Company’s new CEO for items such as compensation and relocation that are in excess of the costs budgeted in the 2012 Annual Operating Plan; and (vi) investment income or losses arising from non-operating investments of cash pursuant to the Company’s investment policy. Notwithstanding the foregoing, in the event more than 25% of the assets of an Operating Unit or 50% of the assets of a Component are sold, excluding sales of inventory in the ordinary course of business, during the Fiscal Year, such Operating Unit’s or Component’s, as applicable, Plan Target and Actual Pre-Tax Income shall be eliminated from all calculations.

1.11 “Working Capital as a Percentage of Sales” (“W/C as a % of Sales”) shall mean with respect to the Corporation, or as applicable, for an Operating Unit, for the Fiscal Year, the average monthly balances of Inventory and Accounts Receivable less the average monthly balances of Accounts Payable and Deferred Revenue divided by annual net sales.

1.12 “Return on Invested Capital” (“ROIC”) shall mean, with respect to the Corporation for the Fiscal Year: (A) after tax earnings from continuing operations before interest income and interest expense and amortization charges and any costs recognized related to a purchase accounting step up in the basis of tangible or intangible assets not classified as amortization (tax affected using the effective corporate tax rate) and excluding: (i) all adjustments related to the DM&E arising from or in connection with the 2007 merger of the DM&E; (ii) all expenses, costs, profits, losses, and gains (exclusive of travel) attributable to (a) the sale, excluding sales of inventory in the ordinary course of business, of more than 25% of the assets of an “Operating Unit” or, more than 50% of the assets of a Component, or (b) the acquisition, or unsuccessfully attempted acquisition, of a business in 2012, divided by (B) an average of month end total assets less the sum of cash, marketable securities and non-interest bearing current liabilities, determined in accordance with generally accepted accounting principles.

1.13 “Target Operating Unit ROA, Target Working Capital as a Percent of Sales, Target Pre-Tax Income (Corporate and Operating Unit), and Target ROIC” shall mean the respective targets as set forth in Schedule 1.10.

II. ELIGIBILITY

2.1 Additional Conditions. Subject to the terms and conditions set forth herein and in the Plan and unless the Compensation Committee determines otherwise, in its sole discretion, a Participant's right, if any, to receive payment of their respective Financial Performance Award shall also be contingent upon satisfaction of each of the following requirements:

a. A Participant must execute a Confidentiality, Intellectual Property and Non- Compete Agreement and a recoupment/claw-back agreement, in a form satisfactory to the Compensation Committee and delivered the executed agreement to the Company's Vice President – Human Resources on or before June 30 of the applicable Fiscal Year. If a Participant previously has executed Confidentiality, Intellectual Property and Non-Compete Agreement, the Participant need not execute and deliver another Confidentiality, Intellectual Property and Non-Compete Agreement.

b. A Participant's Target Percentage shall be based on the position held by the Participant on July 1 of the Fiscal Year and may be allocated among different Operating Units. Those Participants who are not employed due to a death, Retirement or Total and Permanent Disability (as defined in the Plan) occurring prior to July 1 of the Fiscal Year shall, subject to the terms and conditions of the Plan, have a Target Percentage based upon their grade level at death, Retirement, or Total and Permanent Disability (as defined in the Plan).

c. A Participant may not have: (i) been terminated for cause; (ii) voluntarily resigned (other than due to retirement with the Company's consent) prior to the date Individual Incentive awards are paid; (iii) been terminated for any reason whatsoever and have received money from the Corporation in connection with said termination. (iv) unless the Corporation agrees in writing that the employee shall remain a Participant in this Plan,

III. AWARDS

3.1 Target Percentages. Each Participant shall have a Target Percentage based upon the position held by such Participant, as follows:

Title*	Target Percentage
Other	**
Controller	30%
Vice President; CXT President	40%
Sr. Vice President	50%
Sr. Vice President & CFO	55%
Chief Executive Officer	75%

* Refers solely to officers of L.B. Foster Company and not, except with respect to CXT President, officers of a subsidiary.
** As determined by the Compensation Committee of the Board of Directors.

A Participant’s Target Percentage shall be based on the position held by the Participant on October 1 of the Fiscal Year and may be allocated among different Operating Units. Those Participants who are not employed due to a death, Retirement or Total and Permanent Disability (as defined in the Plan) occurring prior to July of the Fiscal Year shall, subject to the terms and conditions of the Plan, have a Target Percentage based upon their position at death, Retirement, or Total and Permanent Disability (as defined in the Plan).

Other employees selected by the Committee may also be made Participants in the Plan on such terms as may be approved by the Committee and consistent with the terms of the Plan.

3.2 Target Amount. The target amount of a Participant’s Financial Performance Award, if any, shall be determined and allocated based on the percentages specified in the table below (and Schedule 1.11)

	Metric	CEO, Sr VP & CFO; Sr VP-Operations; VP-Business Development; VP-Human Resources; VP & General Counsel; and Controller	VP’s and Sr VP Responsible for Operating Unit(s)
Financial Performance Awards	Corporate ROIC	15%	—
	Operating Unit Pre-Tax Income	—	40%
	Operating Unit Return on Assets	—	15%
	Working Capital as a % of Sales	15%	15%
	Corporate Pre-Tax Income	70%	30%

(1) In the case of CXT, achievement measures will be divided equally between Ties and Buildings.

3.3 Financial Performance Award Multiplier. Subject to the terms and conditions set forth herein and in the Plan, the amount of Financial Performance Award earned shall be calculated and adjusted upward or downward based on the actual level of attainment of Target Operating Unit ROA, Target W/C as a % of Sales, Target Pre-Tax Income and/or Target ROIC (as allocated under Section 3.2) utilizing the percentage multiplier as set forth in the following tables:

a. **Pre-Tax Income Multiplier (Corporate/Operating Unit)**

% of Target Pre-Tax Income	Corporate or Operating Unit Multiplier
170% and over	200%
160%	185%
150%	175%
140%	160%
130%	145%
120%	130%
110%	115%
100%	100%
90%	84%
80%	68%
70%	52%
60%	36%
50%	20%
Less than 50%	0%

b. **ROIC Multiplier**

Target ROIC Achieved	Corporate Multiplier
16.25% and Over	200%
15.7%	167%
14.38%	133%
12.75%	100%
11.95%	73%
11.20%	47%
10.20%	20%
Less than 10.20%	0.0%

c. **W/C as a % of Sales Multiplier**

% of Target Average W/C as a % of Sales	Corporate or Operating Unit Multiplier
86.0% and under	200%
88.7%	175%
91.3%	150%
94.3%	130%
97.4%	115%
100.0%	100%
102.9%	80%
106.5%	60%
110.0%	40%
Greater than 110.0%	0%

d. **Operating Unit Return on Assets**

ROA Achieved	Operating Unit Multiplier
133% and over	200%
122%	167%
111%	133%
100%	100%
93.0%	93%
86.0%	47%
80%	20%
Less than 80%	0.0%

The calculation of the multiplier(s) in the above tables shall be adjusted proportionately to reflect percentages achieved between the levels in the table. For example, if Corporate achieved 73% of Target Pre-Tax Income, the multiplier would be 56.8%; if Corporate achieved 137% of Target Pre-Tax Income the multiplier would be 155.5%.

3.4 Limitation on Financial Performance Award. Notwithstanding any provision to the contrary, a Participant's Financial Performance Award shall not exceed $1,000,000 for any Participant. In the event that the amount of any such award earned exceeds $1,000,000 for a Participant, such award shall be reduced to $1,000,000.

IV. RECOUPMENT

In the event the Company is required to prepare an accounting restatement applicable to any financial reporting period covering a period within the Fiscal Year due to the material noncompliance of the Company with any financial reporting requirement under the securities laws or other applicable law and if the Committee, in its discretion, so determines, each "Specified Participant" shall pay to the Company, in cash, all cash paid to or on behalf of such Participant under the Plan for the Fiscal Year in excess of the amount of such compensation that would have been paid to the Participant for the Fiscal Year based on the restated financial results. Any such payment shall be made within the time periods prescribed by the Committee. The term "Specified Participant" means any Participant that the Committee has determined, in its sole discretion, has committed fraud, negligence, or intentional misconduct that was a significant contributing factor to the Company having to prepare an accounting restatement. A Specified Participant's failure to make any such timely payment to the Company constitutes an independent and material breach of the terms and conditions of the Plan, for which the Company may seek recovery of the unpaid amount as liquidated damages, in addition to all other rights and remedies the Company may have against the Participant. By participating in the Plan, each Participant agrees that timely payment to the Company as set forth in this Section III is (i) reasonable and necessary, (ii) is not a penalty, and (iii) does not preclude the Company from seeking all other remedies that may be available to the Company.

The Compensation Committee, in its discretion, shall determine whether the Company shall effect any such recovery (i) by seeking repayment from the Specified Participant, (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the Specified Participant under any compensatory plan, program or arrangement maintained by the Company or any of its affiliates, (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices, or (iv) by any combination of the foregoing.

Notwithstanding the foregoing, the Company shall not be required to make any additional payment in the event that the restated financial results would have resulted in a greater payment to any Participant.

IV. COMPENSATION COMMITTEE

All determinations with respect to any Financial Performance Award shall be made by the Compensation Committee and shall be final, conclusive and binding on the Corporation, the Participant and any and all interested parties. No payment of a Financial Performance Award shall be made prior to the Committee certifying in writing that the performance goals and other material terms applicable to such awards for the Fiscal Year as set forth herein (including the Schedules attached hereto) have been attained.

The undersigned Chairman of the Committee hereby certifies, on behalf of the Compensation Committee, that the performance goals and other material terms applicable to the awards for the Fiscal Year as set forth herein (including the Schedules attached hereto) have been determined and approved at the Compensation Committee meeting of even date herewith.

By: /s/ William H. Rackoff
William H. Rackoff
Chairman, Compensation Committee

Date: 03/06/12

**Certification under Section 302 of the
Sarbanes-Oxley Act of 2002**

I, Robert P. Bauer, President and Chief Executive Officer of L. B. Foster Company, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of L. B. Foster Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2014

/s/ Robert P. Bauer

Name: Robert P. Bauer
Title: President and Chief Executive Officer

**Certification under Section 302 of the
Sarbanes-Oxley Act of 2002**

I, David J. Russo, Senior Vice President, Chief Financial Officer and Treasurer of L. B. Foster Company, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of L. B. Foster Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2014

/s/ David J. Russo

Name: David J. Russo
Title: Senior Vice President,
Chief Financial Officer and Treasurer

Exhibit 32.0

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of L. B. Foster Company (the “Company”) on Form 10-Q for the period ended March 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2014

/s/ Robert P. Bauer
Name: Robert P. Bauer
Title: President and Chief Executive Officer

Date: May 5, 2014

/s/ David J. Russo
Name: David J. Russo
Title: Senior Vice President,
Chief Financial Officer and Treasurer