21st Century *Equity Research*

Company Report

Business Description

L.B. Foster Company is a manufacturer and distributor of products for the transportation, construction, utility, and energy markets. The company supplies products to industries requiring rail and rail accessories; sheet, pipe and H piling; bridge decking and highway products; precast concrete buildings; and threaded and coated pipe.

Stock Data

Price	$24.46
52Wk High	$48.98
52Wk Low	$20.00
3mo. Daily Volume	98,000
Market Capitalization	$250
Shares Outstanding	10.8 Mil.
Inside Ownership	4%
Dividend Yield	NA
Book Value	$20.09
Net Cash per Share	$9.00
EV-to-Sales - TTM	0.3x
EV-to-EBITDA - TTM	3.2x

Financial Data

EPS	FY-06	FY-07	FY-08	FY-09E
Q1-Mar	$0.11	$0.28	$0.36	$0.30
Q2-Jun	$0.29	$0.63	$0.69	$0.64
Q3-Sep	$0.32	$0.64	$0.76	$0.76
Q4-Dec	$0.27	$0.81	$0.45	$0.60
FY-Dec	$0.99	$2.28	2.36*	$2.30
P/E			10.4	10.6

*excludes one-time gains of $.21

Revenue	$399	$509	$513	$501
% Chg	10.3%	30.6%	0.7%	-2.1%
EBITDA	$24	$47	$48	$45
ROIC	10.2%	21.4%	21.0%	15.9%
Cash	$3	$121	$115	$105
Assets	$244	$331	$331	$322
Debt	$55	$16	$22	$23
Equity	$102	$214	$217	$242

Note: Figures in $millions except per share data

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LBFoster

L.B. FOSTER COMPANY
NASDAQ: FSTR
PRICE: $24.46
March 17, 2009

Leading supplier of products for nation's transportation infrastructure including highways, bridges, and railroads.

The Company should benefit from the Stimulus Bill which allocates $27.5 billion to highway and bridge construction

Turn-key Solutions fulfill material sourcing, shipping, and unloading

Concrete Tie Contract with Union Pacific extends through 2012

Strong Balance Sheet with $93.3 million in Net Cash, or $9/share. The company is considering future acquisitions.

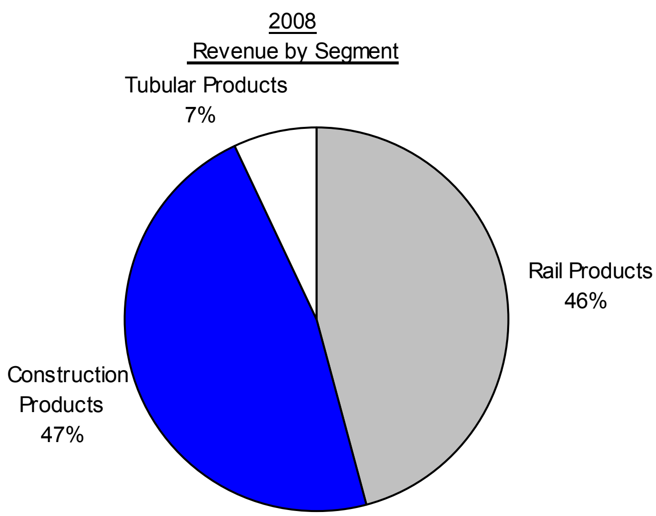
Stock trades at a discount to peers based on EV/EBITDA and EV/Sales Multiples

We are forecasting EPS of $2.30 for FY09.

Company History, Ownership, and Overview

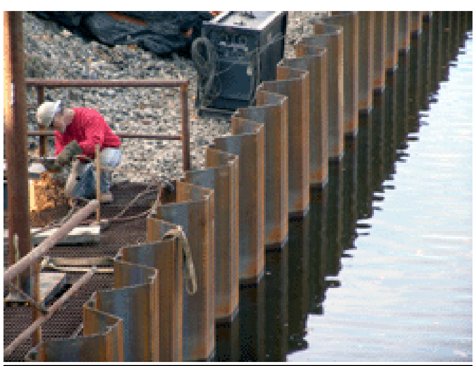
Lee B. Foster founded the L.B. Foster Company in 1902 at 20 years of age. He financed the business with a $2,500 loan from his father. Initially, the company focused on selling relay (used) rail primarily to mines and logging camps that demanded relay rail as a cost effective supplement for new rail. By 1918, Lee's three brothers had joined the company, making it a four-way partnership. The company expanded out of Pennsylvania into New York City in 1922 and into Chicago in 1926. It continued to grow and expand over the years and went public in 1981. The founder's grandson, Lee B. Foster II, became President and Chief Executive Officer in 1990 and is currently Chairman of the Board.

Today, L.B. Foster Company is a leading manufacturer and distributor of construction products needed to build and maintain the North American transportation infrastructure. The Rail Products segment sells a package of heavy and light rail, relay rail, insulated rail joints, and concrete ties for railroads, mass transit systems, industrial plants, mines, and contractors. Foster is the third largest purchaser of rail in the country behind the two largest Class I railroads. The Construction Products segment sells and rents sheet piling and sells pipe and bearing piling, and fabricated highway products for highway construction and repair. It also manufacturers pre-cast concrete buildings for National and State Parks. The Tubular Products segment provides fusion bond epoxy and other coatings for corrosion protection on oil, gas, and other pipelines and provides special threaded pipe products for agricultural, municipal, and industrial water wells. Foster's vast product offering of both distributed and manufactured products bundled with a superior service offering enables the company to compete effectively in the marketplace.



The company generally markets all its products through a direct sales force of 50 people, including outside sales, inside sales, and customer service representatives. It has 14 sales offices and 15 plants or warehouses nationwide. During 2008, approximately 6% of total sales were for export. Foster had 641 employees, including 252 salaried and 379 hourly production workers as of December 2008.

Approximately 140 of the hourly paid employees are represented by unions. Foster has had no major work stoppages during the past five years and relations with the employees are satisfactory. In February 2006, Foster divested Geotech, its concrete wall business, for approximately $7 million, excluding accounts receivable. This business generated revenue of approximately $27 million and pretax profit of $500,000 in 2005. The company additionally sold its minority interest in the DM & E (Dakota Minnesota and Eastern Railroad) to Canadian Pacific Railway Limited in September of 2007. The company received approximately $151.5 million in cash at closing. Additional payments of $41.6 million and $84.2 million are possible contingent upon the construction of the PRB (Powder River Basin) and PRB coal tonnage thresholds respectively.



Deck of North Main Street Bridge, Akron, Ohio, received a fusion bonded epoxy coating

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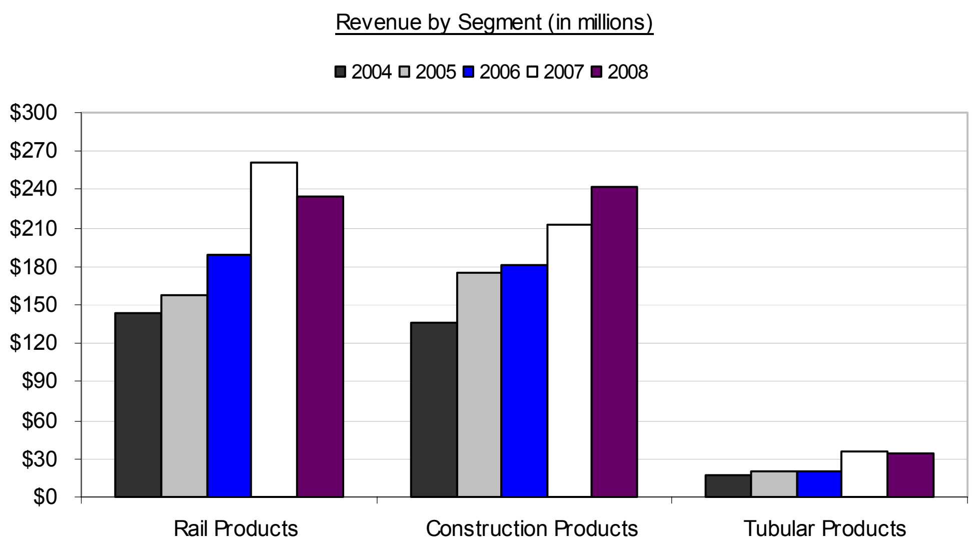
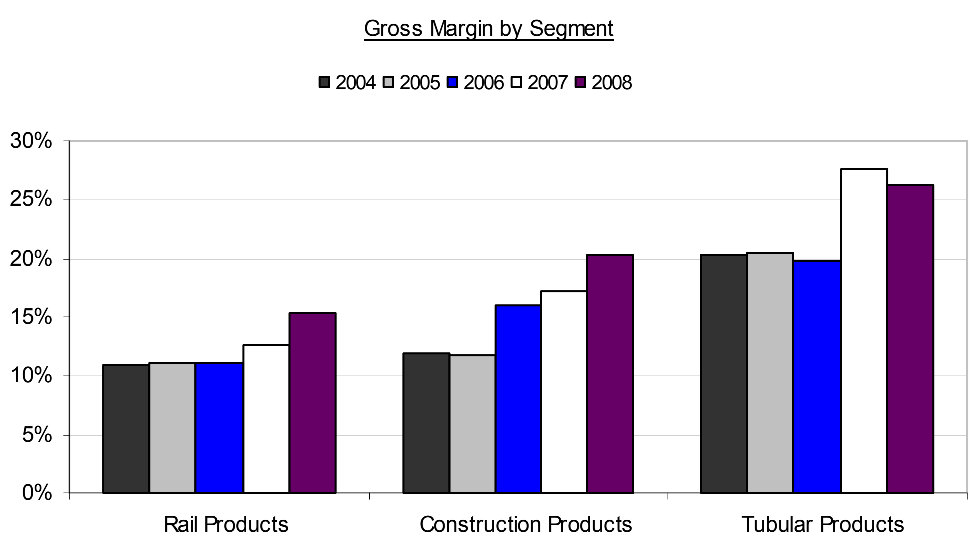
Sales Breakdown



Margin by Segment



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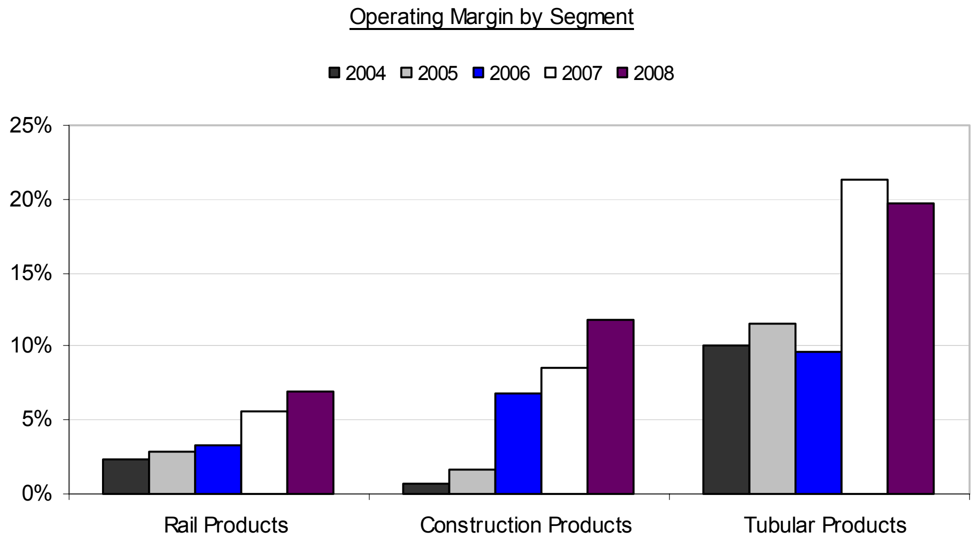
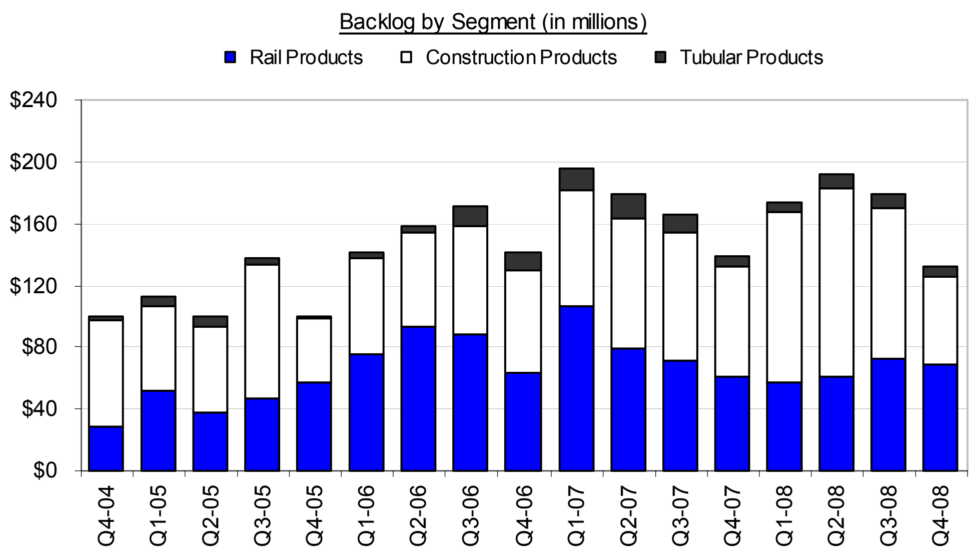


4-Year Backlog



Investment Thesis

The Company's Construction Business Should Benefit from Increased Federal Infrastructure Spending

The company's sales success is contingent upon Federal and State funding for infrastructure projects across the country. The deteriorating condition of the nation's highways and bridges and under-capacity of its railroad system have never been disputed. However, spending on such projects has often taken a back-seat to other spending programs. The recently passed Stimulus bill has allocated $27.5 billion for highway and bridge construction.

The timing and ultimate impact of such infrastructure projects is unclear. However, a recent Stanford University study argued that $15-$20 billion of approved infrastructure projects could be ready for financing within 30 days. Additionally, a survey by the American Association of State Highway and Transportation officials revealed that more than 3,000[1] projects totaling $17.9 billion are ready to launch within 90 days.

The November 4th ballot also contained numerous infrastructure spending initiatives. Voters across the country approved close to $34 billion in new infrastructure spending highlighted by Californians voting "yes" to fund a $9.95 billion high speed rail system through the issuing of bonds.

Transportation spending at the federal, state, and local levels totals approximately $90 billion annually. However, the National Surface Transportation Policy and Revenue Study maintains that at least $225 billion is needed annually for a period of 50 years. The nation's $286 billion transportation spending program authorized in 2005 expires in September. Most experts claim that reauthorizing the same funding level will be insufficient to meet growing infrastructure needs.

Excluding any possible impact from the Stimulus bill, highway and bridge construction spending is projected to increase 1.5%[2] in 2009 to $80.2 billion. Federal funds are expected to be steady as Congress enacted $41.2 billion in funding for FY08. The bulk of the projects related to this funding are expected to ramp up in 2009. Another $41.2 billion has been authorized for FY09. It is also expected that construction costs should continue their recent decline, especially oil based products such as asphalt and diesel fuel. This should contribute a stabilizing effect to spending. The potential risk factor for funding continuity lies at the local government level. Local governments are generally under fiscal strain for numerous reasons. Firstly, highway miles driven are down roughly 3.3% for the year because of higher gas prices. Less driving results in less gas tax revenue. Additionally, new car and truck sales have decreased, resulting in less vehicle registration revenue. Lastly, the mortgage crisis has increased foreclosures and decreased property values, resulting in less property tax revenue. Bond financings by local governments contribute roughly 5-10% of project funding. Interest rates on transportation-related bonds have normalized of late but still remain above prior year levels.

The real wild-card is the federal stimulus bill. The ARBTA estimates that every $1 billion of stimulus funding will increase construction spending by 1% over the prior year.

[1] Washington Independent
[2] ARBTA, American Road and Transportation Builders Association

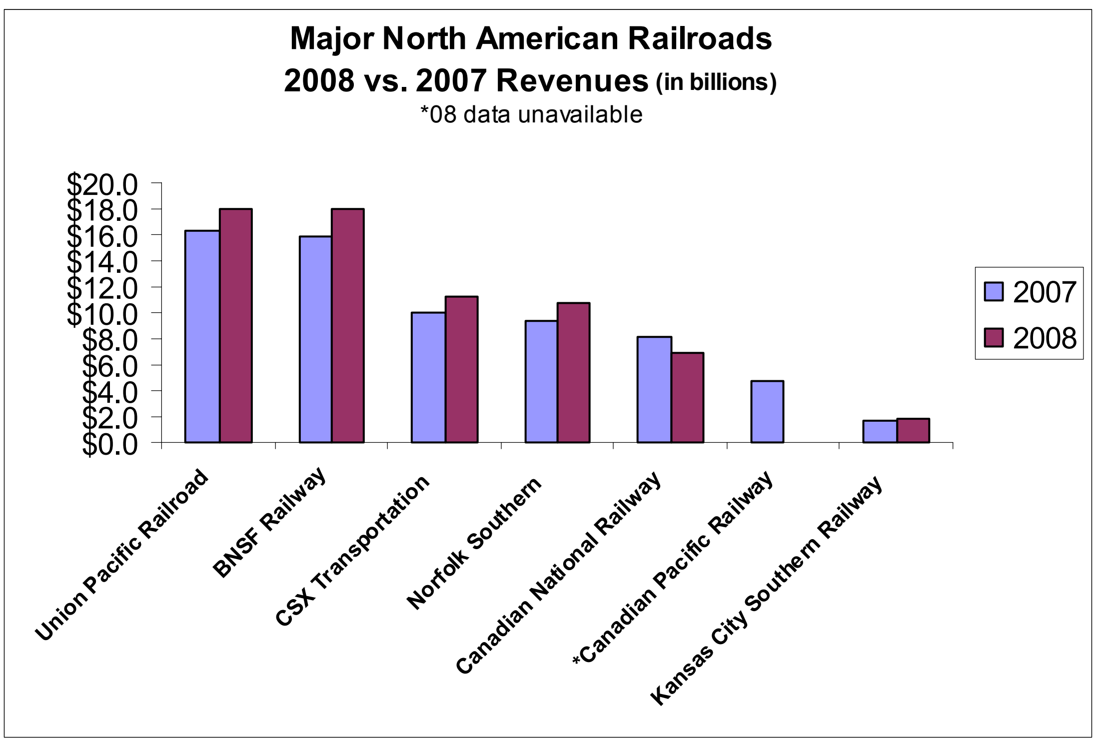
Long-term Contract with Union Pacific Railroad Provides Steady Revenue Stream

In 2005 LB Foster signed an 8-year contract with Union Pacific Railroad to supply concrete railroad ties. The contract is valued at minimum of $150 million and affirms the company as the largest concrete tie manufacturer in North America. The company constructed a new tie facility in Tucson Arizona to accommodate the contract.

Wood ties presently account for approximately 91% of the overall tie market. Concrete ties have been used in Europe for many years and are now gaining more acceptance in North America. Wood ties cost roughly $28 per unit for a total cost of $236,000 for one mile of track. Concrete ties typically cost $41 per unit which equates to roughly $308,000 for one mile of track. Wood ties weigh between 250-275 lbs with an average life span of about 15 years. Concrete ties weigh approximately 800 lbs and require special handling equipment. Concrete ties typically last 50 years and are capable of handling heavier freight loads. They are most ideal for the curving segments of heavy haul railroads. Concrete is also preferable for high speed rail. Other non-wood materials include steel and plastics, which typically cost $65/per unit.

Constrained North American Rail System Requires Upgrading

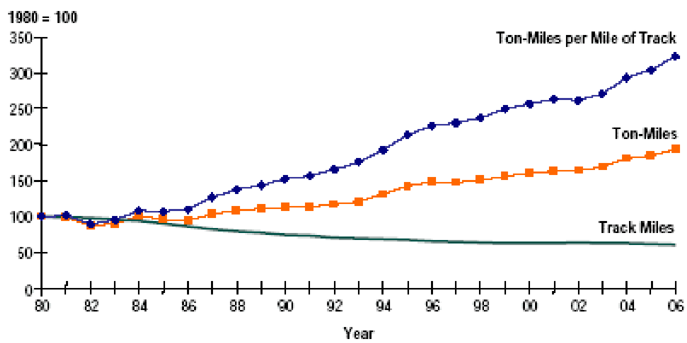
The North American rail industry is dominated by Class 1 railroads which are defined as having revenues in excess of $320 million annually. There are approximately 140,810 miles of U.S. rail freight network. However, most of the freight traffic travels through primary corridors, or concentrated sections of railway. The primary corridors total about 52,340 miles. This represents about half of all Class 1-operated miles.



The actual number of track miles has increased nominally over time. However, the quantity of freight transported has increased consistently thus resulting in increasing ton-miles per mile of track. The spike in increased freight has occurred over the past twenty years. This has resulted in an overburdened system with strained capacity. Additionally, higher gas prices are resulting in increased passenger rail ridership. Amtrak has reported that ridership is up 11%[3] in 2008. The company also reported its highest ever monthly ridership total this past July.

The DOT has determined that a combination of population growth, trade growth, and economic development will double the demand for train freight by 2035. A recent study by Cambridge Systematics, Inc. concluded that an additional $148 billion (in 07 dollars) in rail upgrades would be required to meet this demand, excluding any additional demand by passenger rail service. The rail industry claims it can fund approximately $96 billion of this investment internally. The remainder will need to be financed through government assistance or public/private financings.

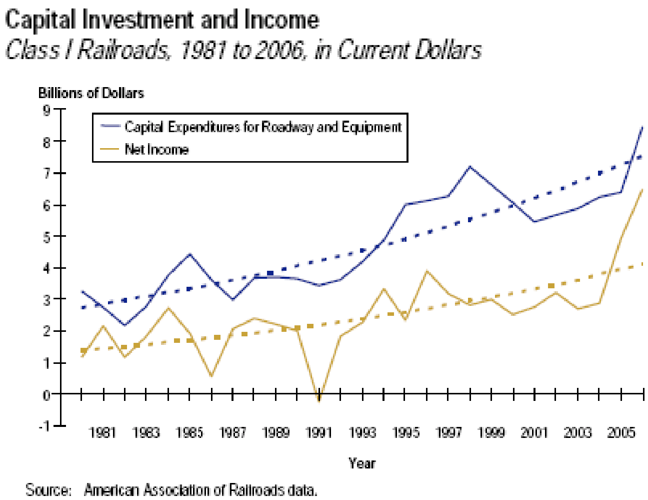
Rail Freight Ton-Miles and Track Miles
Class I Railroads, 1980 to 2006



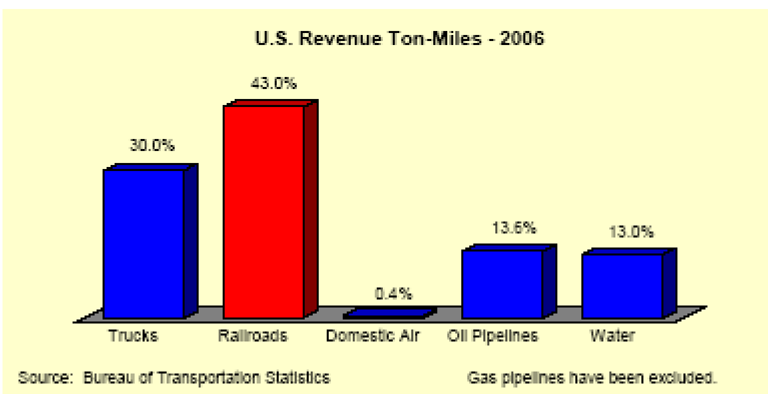
Source: AAR and Annual Report Form R-1.

The railroad industry's capital expenditures are significantly higher than other industries. For the period 1996-2005, railroad companies spent an average of 17%[4] of revenue on capital expenditures vs. 3% for the average U.S. manufacturer. The level of capital spending has generally been correlated with railroad company financial performance as the graph below reflects. However, recently there has been less correlation. Even though carload volumes were flat in Q3-08 for the industry, capital expenditures continued a double-digit increase year over year. Management is anticipating capital expenditures to remain flat or decrease in 2009. The Association of American Railroads predicts a possible cap ex decline of 10% for 2009 related to the present economic downturn. The Stimulus bill does provide additional funding to the rail industry including $8 billion for intercity rail projects and rail congestion grants. An additional $1.3 billion has been specifically allocated for Amtrak.

[3] fhwa.dot
[4] Association of American Railroads



A myriad of factors contribute to the financial success of the railroad companies. The recent strong financial performance of the companies is mostly tied to the coal and agriculture markets, shifts from truck freight due to high gas prices, and fuel cost recovery programs. Union Pacific, LB Foster's largest customer, is forecasting flat cap ex spending of $2.8[5] billion in 2009, excluding long-term operating and capital leases. Volumes and diesel prices will be the key determinants of performance. Fuel price recovery programs typically have a 2-month lag effect.



[5] Union Pacific Q4-08 earnings release

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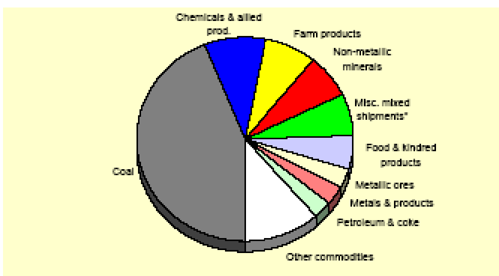
Type of Freight Carried for Year 2007

Commodity Group	Tons Originated (000)	% of Total	Gross Revenue** (million)	% of Total
Coal	849,630	43.8 %	$11,471	21.0 %
Chemicals & allied prod.	177,612	9.2	6,885	12.6
Farm products	152,242	7.8	4,529	8.3
Non-metallic minerals	137,556	7.1	1,527	2.8
Misc. mixed shipments*	124,531	6.4	7,863	14.4
Food & kindred products	105,457	5.4	4,041	7.4
Metallic ores	59,162	3.1	542	1.0
Metals & products	57,046	2.9	2,353	4.3
Petroleum & coke	56,262	2.9	1,797	3.3
Stone, clay & glass prod.	48,115	2.5	1,607	2.9
Waste & scrap materials	48,034	2.5	1,276	2.3
Lumber & wood products	36,152	1.9	1,987	3.6
Pulp, paper & allied prod.	35,269	1.8	2,100	3.8
Motor vehicles & equip.	31,682	1.6	4,016	7.3
All other commodities	20,989	1.1	2,642	4.8
Total	1,939,738	100.0 %	$54,637	100.0 %

* Miscellaneous mixed shipments (STCC 46) is mostly intermodal traffic. Some intermodal traffic is also included in commodity-specific categories. STCC 46 accounts for over two thirds of intermodal tonnage.

** Gross Revenue is not adjusted for absorption (incentive rebates etc.) or correction.

2007 Class I Railroad Tons Originated



Source: Association of American Railroads

Notable Customers, Suppliers, and Competitors

Segment	Customers	Suppliers	Competitors
Rail	Union Pacific Burlington Northern Santa Fe	Evraz Oregon Steel Mills Arcelor Mittal Steel Dynamics	Progress Rail Portec Rail Products
Construction	Army Corps of Engineers misc. civil engineering firms	Chaparral Steel Northwest Pipe	Skyline Steel High Steel
Tube	American Cast Iron Pipe Co.	3M various Asian suppliers	

Union Pacific (NYSE: UNP) – Union Pacific is one of the largest railroad companies in North America, with nearly 33,000 miles of track, annual volume of 9.5 million carloads, and annual revenues exceeding $18 billion. Union Pacific has agreed to purchase $150 million of prestressed concrete railroad ties from Foster's Grand Island, Nebraska facility through December 2009 and from the Tucson, Arizona facility through December 2012. Both of these production locations are going to be producing exclusively for Union Pacific. Each facility has the capacity to produce roughly 450,000 ties annually. The main types of product carried by UP include 1) Energy 2) Agriculture 3) Industrial and 4) Intermodal.

Burlington Northern Santa Fe (NYSE: BNI) – Burlington Northern Santa Fe is one of the largest railroad companies in North America, with over 32,000 miles of track, annual volume of roughly 10 million carloads, and annual revenues nearing $17 billion. The company's freight cars primarily carry 1) consumer products 2) industrial products 3) coal and 4) agricultural products.

Evraz Oregon Steel Mills (subsidiary of Evraz) – Oregon Steel Mills is one of two primary rail manufacturers in North America and primarily supplies L.B. Foster with new steel rail through its Rocky Mountain Steel Mills Division. It will generate approximately $2.3 billion in sales in 2008.

Arcelor Mittal (NYSE: MT) – Mittal Steel merged with Arcelor in 2006 and is one of two primary suppliers of rail in North America. It is the largest steel producer in the world. Mittal supplies Foster with rail through its Steelton, Pennsylvania facility. This facility was formerly owned and operated by Bethlehem Steel. Mittal is one of the largest diversified steel producers in the world with annual revenues of over $28 billion and shipments of 49.2 million tons.

Progress Rail (subsidiary of Caterpillar) – Acquired by Caterpillar in 2006, Progress Rail is a major supplier of products and services to the North American rail industry and is Foster's nearest competitor. Progress competes directly with the company's rail products segment. Progress also provides locomotive and railcar maintenance and repair services. It has annual revenue of $800 million.

Portec Rail Products (Nasdaq: PRPX) – Portec is a manufacturer and distributor of railroad products. Portec primarily competes with the company's rail segment in bonded joints and friction management / rail lubrication services. Portec has annual revenues of roughly $110 million.

Gerdau Ameristeel (NYSE: GNA) – Geradau Ameristeel acquired Chaparral Steel in 2007. The combined company is the second largest producer of structural steel in North America and is the primary supplier of sheet piling to the company's construction products division. The company generates nearly $10 billion in annual sales.

Northwest Pipe (Nasdaq: NWPX**)** – Northwest Pipe is a leading manufacturer and supplier of welded steel pipe for the water transmission, energy, and construction industries. Northwest is a supplier to the company's construction segment with annual revenues exceeding $400 million.

Skyline Steel (NYSE: MT) – Skyline is a subsidiary of Arcelor Mittal with annual revenues of $330 million and shipments of 650,000 tons. Skyline competes with L.B. Foster in distribution of steel foundation and structural products to the construction industry. Skyline is the largest distributor of sheet piling in North America while L.B. Foster is the second largest.

High Steel Structures (Privately Held Division of High Industries) – High Steel Structures is one of the largest fabricators of steel bridge superstructures in North America.

American Cast Iron Pipe Co. (Privately Held) – American Cast Iron Pipe is a leading manufacturer of ductile iron pipe and fittings for the water utility and power industries. American Cast Iron Pipe is the primary customer of L.B. Foster's pipeline coating products.

Executive Management Team

Lee B. Foster II – *Chairman*
Mr. Foster has been a director of the Company since 1990. He was the Chief Executive Officer of the Company from May 1990 until January 2002. Mr. Foster is a director of Wabtec Corporation, a manufacturer of components for locomotives, freight cars and passenger transit vehicles. Wabtec Corporation also provides aftermarket services, including locomotive and freight car maintenance.

Stan L Hasselbusch – *Chief Executive Officer and Director*
Mr. Hasselbusch has been Chief Executive Officer and a director of the Company since January 2002 and President of the Company since March 2000. He served as Vice President—Construction and Tubular Products of the Company from December 1996 to December 1998 and as Chief Operating Officer from January 1999 until he was named Chief Executive Officer.

David J. Russo – *Senior Vice President, Chief Financial Officer, and Treasurer*
Mr. Russo has been Chief Financial Officer of the Company since joining the company in July 2002. Previously, he was Corporate Controller of WESCO International Inc., a distributor of electrical wiring products.

John F. Kasel – *Senior Vice President, Operations and Manufacturing*
Mr. Kasel has held his current position since joining the company in April 2003. Previously, he was Vice President of Operations for Mammoth, Inc., a Nortek company from 2000 to 2003.

Donald L. Foster – *Senior Vice President, Construction Products*
Mr. Foster, (no relation to Foster family) has held his current position since February 2005. Previously, he was Vice President – Piling Products. Prior to joining the company in 2004, Mr. Foster was President of Metalsbridge, a financed supply chain logistics company.

Samuel K. Fisher – *Senior Vice President, Rail Products*
Mr. Fisher has held his current position since October 2002. Previously, he was Vice President – Rail Procurement. Mr. Fisher joined the company in 1977.

Risks

Reliance on Government Funding

The company is heavily dependent upon funding from both Federal and state levels. State funding is especially sensitive to tax receipt revenues which typically decrease during economic downturns. Additionally, there can be regional disparities in funding based on particular projects. State government transportation spending is reliant upon gas taxes. The gas tax is a fixed rate so proceeds decline if consumer gas consumption decreases.

Customer Concentration
The company's rail products division maintains a long-term contract with UPRR (Union Pacific Railroad). This relationship contributes substantially to revenue. The company's operating results would suffer meaningfully if the UPRR relationship were to terminate.

Inventory Management
The company's distribution business requires the carrying of high levels of inventories, especially for new rail and pilings. These products are subject to steel and scrap prices which can fluctuate widely. The company is also vulnerable to cement pricing. The company employs LIFO accounting and is continually subject to potential inventory adjustments which could negatively impact COGS.

Defective Product Claims
One of the company's competitors in the concrete tie industry has sustained defective product claims. The purported longevity claims of concrete ties are relatively untested. The company's competitor has been forced to replace defective concrete ties. The company may be susceptible to similar type product claims.

Financial Analysis

The company concedes that visibility is limited for 2009 given the current macro environment. The company did post better than expected results in Q4. We are forecasting a slight decline in revenues and EPS for FY09. We are projecting a double digit revenue decline for the rail segment in FY09. The company is forecasting a decline in concrete tie production from 490,000 to 420,000. Additionally, cap ex spending by railroad companies will most likely decline in 2009. The company's construction segment should ultimately benefit from the recent Stimulus bill but the timing is unclear. The scope of "shovel-ready" projects is additionally unclear. Our construction products estimate is consistent with highway and bridge construction spending growth per ARBTA of 1.5% coupled with recent performance which has exceeded expectations. The tubular products division has demonstrated more volatility but constitutes only 7% of total sales. Total backlog as of December 2008 is $132.6 million, down slightly from $138.3 million at the end of 2007.

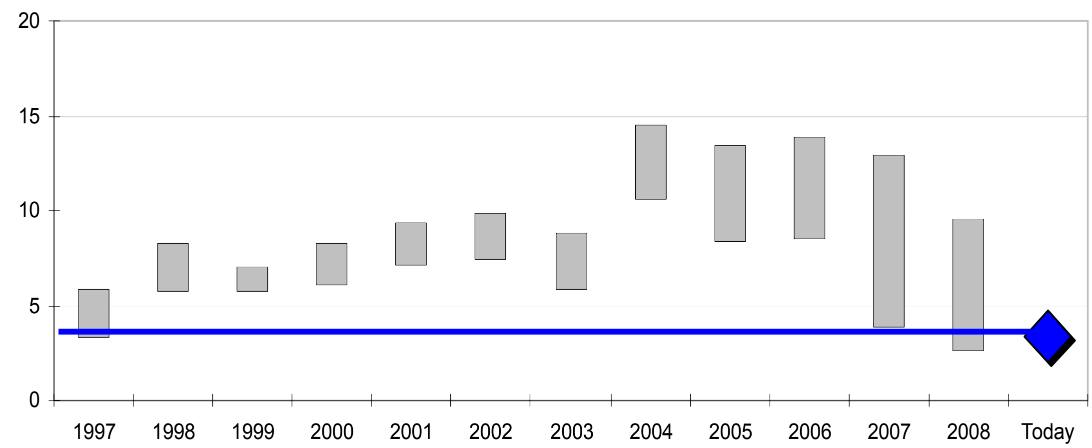
Gross margin is typically impacted by product mix, plant process improvements, material pricing pass-throughs, and LIFO charges. The company initiated a LEAN manufacturing program several years ago and continues to draw cost improvements from the program. We are forecasting a modest decrease in gross margin for FY09 to account for inventory and scrap pricing risk. SG&A should continue its trend of low single digit year over year growth. The company has implanted cost control strategies in response to current economic conditions including a wage freeze on salaried employees. The company has paid down $27.5 million in debt over the past 18 months from internally generated cash flow. The balance sheet remains strong with $93 million in Net Cash with future acquisitions possible. The company has an additional $13.5 million in share repurchases authorized. We are forecasting FY09 EPS of $2.30.

Peer Group	(in thousands)													
Ticker	Name	Price	Sales	Gross Margin	Operating Margin	Net Margin	ROE	ROA	Net Debt Ratio	EV / Sales	EV / EBITDA	Price / BV	CY 2009 P/E	CY 2010E P/E
STLD	Steel Dynamics	$7.22	$8,080,521	15.2%	10.6%	5.7%	29.4%	9.5%	57.6%	0.44	3.3	0.8	12.4	3.9
NWPX	Northwest Pipe	$24.17	$439,735	21.3%	13.3%	7.3%	11.8%	6.7%	28.2%	0.77	5.3	0.8	12.9	8.7
TRN	Trinity Industries	$8.24	$3,882,800	20.4%	14.1%	7.4%	16.1%	6.4%	48.8%	0.62	3.5	0.4	11.0	6.5
PRPX	Portec Rail Products	$5.88	$109,017	32.6%	10.8%	7.1%	13.2%	7.7%	17.6%	0.63	4.7	1.0	8.5	7.1
KOP	Koppers	$12.79	$1,364,800	16.5%	9.5%	10.1%	NA	20.7%	NA	0.42	3.5	14.5	6.3	4.5
CAT	Caterpillar	$26.42	$51,324,000	25.2%	13.2%	6.9%	47.5%	7.9%	76.8%	0.70	4.1	2.6	12.1	11.4
	Median			20.8%	12.0%	7.2%	16.1%	7.8%	48.8%	**0.6**	**3.8**	**0.9**	**11.6**	**6.8**
FSTR*	**L.B. Foster**	**$23.92**	**$512,592**	**15.6%**	**7.8%**	**4.7%**	**11.3%**	**7.3%**	**NA**	**0.3**	**3.2**	**1.2**	**12.9**	**13.6**

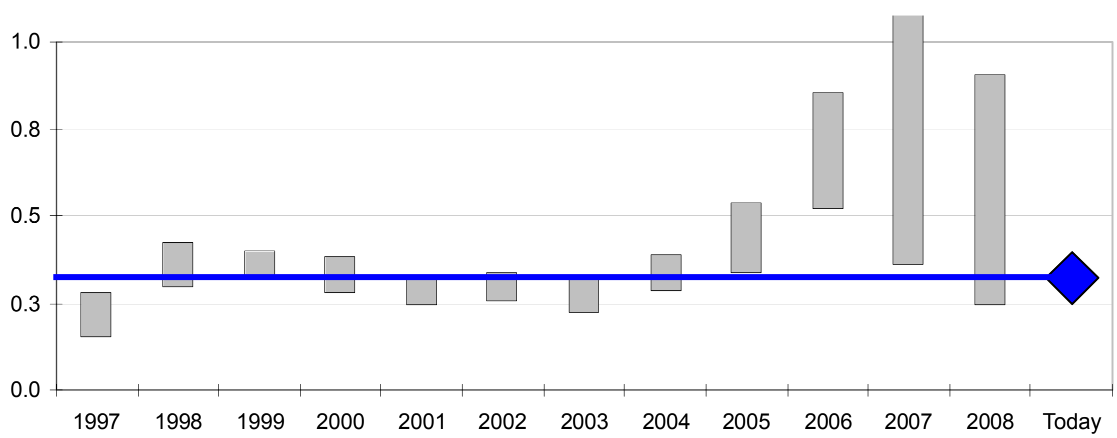
Prices as of 3/16/09
FSTR has $10.63/ Share in Cash
*data excludes one-time gains of $3.5 million

Historical Trading Range

Historical EV-to-EBITDA Trading Range



Historical EV-to-Sales Trading Range



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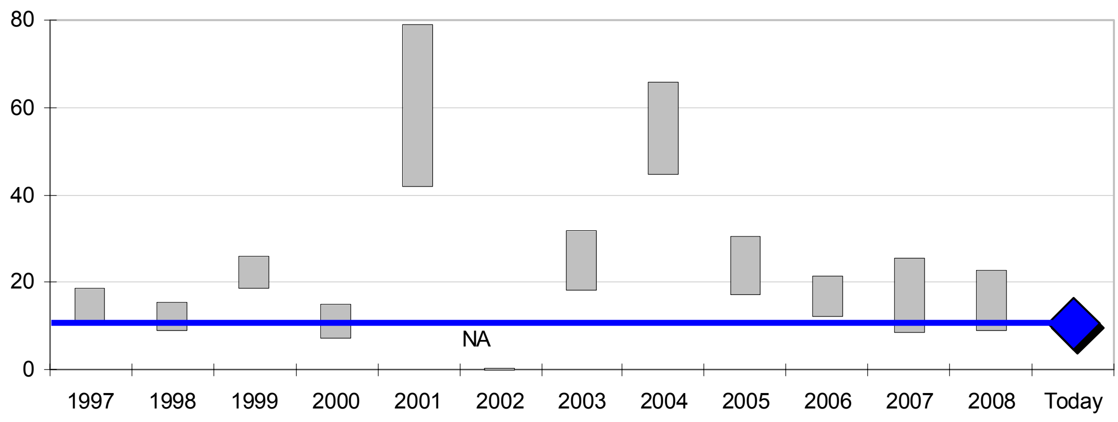
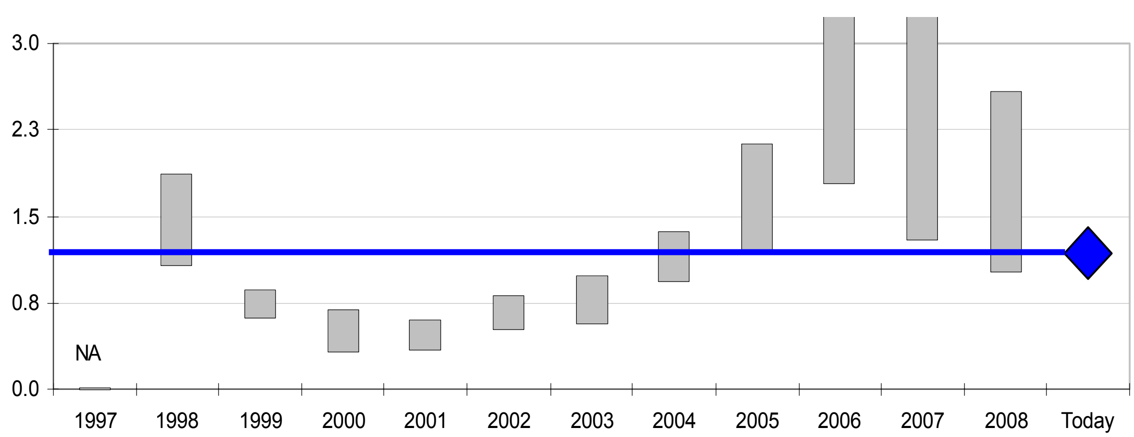
Historical P/E Value Trading Range



Historical Price-to-Book Value Trading Range



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Income Statement (in millions)	2003	2004	2005	2006	2007	Q1-08	Q2-08	Q3-08	Q4-08	2008	Q1-09E	Q2-09E	Q3-09E	Q4-09E	2009E
Sales	$264.3	$297.9	$353.5	$389.8	$509.0	$93.4	$129.8	$145.5	$143.7	$512.5	$89.9	$123.2	$143.7	$144.6	$501.4
COGS	$232.5	$267.3	$313.5	$338.2	$432.6	$77.8	$107.9	$122.8	$123.8	$432.4	$75.8	$102.9	$121.4	$124.3	$424.5
Gross Profit	$31.7	$30.6	$40.0	$51.6	$76.4	$15.6	$21.9	$22.7	$19.9	$80.1	$14.1	$20.3	$22.3	$20.2	$77.0
SG&A Expense	$26.9	$27.9	$31.1	$33.7	$37.4	$9.4	$10.0	$10.1	$11.5	$40.9	$9.5	$10.0	$10.2	$10.7	$40.4
EBIT	$4.8	$2.7	$8.9	$17.9	$39.0	$6.3	$11.9	$12.6	$8.4	$39.2	$4.6	$10.3	$12.1	$9.5	$36.6
Interest Expense	$2.3	$1.8	$2.5	$3.4	$4.0	$0.6	$0.5	$0.5	$0.4	$1.9	$0.4	$0.4	$0.3	$0.3	$1.4
Other Income, Net	$1.3	$1.5	$1.3	$1.2	$2.0	$0.7	$0.7	$0.5	$0.6	$2.5	$0.6	$0.6	$0.7	$0.7	$2.6
Pretax Income	$3.9	$2.4	$7.7	$15.8	$36.9	$6.4	$12.2	$12.6	$8.6	$39.7	$4.8	$10.5	$12.5	$9.9	$37.8
Income Tax	$1.7	$0.9	$2.3	$5.1	$11.0	$2.3	$4.5	$4.5	$2.9	$14.2	$1.7	$3.8	$4.5	$3.6	$13.6
Net Income	$2.2	$1.5	$5.4	$10.7	$25.0	$4.1	$7.7	$8.1	$5.7	$25.5	$3.1	$6.7	$8.0	$6.4	$24.2
Shares Outstanding-Diluted	9.7	10.3	10.4	10.8	11.0	11.1	11.0	10.7	10.4	10.8	10.4	10.5	10.5	10.6	10.5
EPS - Diluted	$0.22	$0.14	$0.52	$0.99	$2.28	$0.36	$0.69	$0.76	$0.55	$2.36	$0.30	$0.64	$0.76	$0.60	$2.30
% Change	NA	-34.4%	261.4%	90.2%	129.9%	28.4%	10.6%	18.3%	-32.3%	3.5%	-18.6%	-7.4%	0.4%	9.5%	-2.4%
% of Sales															
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
COGS	88.0%	89.7%	88.7%	86.8%	85.0%	83.3%	83.1%	84.4%	86.2%	84.4%	84.3%	83.5%	84.5%	86.0%	84.7%
Gross Profit	12.0%	10.3%	11.3%	13.2%	15.0%	16.7%	16.9%	15.6%	13.8%	15.6%	15.7%	16.5%	15.5%	14.0%	15.3%
SG&A Expense	10.2%	9.4%	8.8%	8.6%	7.3%	10.0%	7.7%	6.9%	8.0%	8.0%	10.6%	8.1%	7.1%	7.4%	8.1%
EBIT	1.8%	0.9%	2.5%	4.6%	7.7%	6.7%	9.2%	8.7%	5.8%	7.6%	5.1%	8.4%	8.4%	6.6%	7.3%
Interest Expense	0.9%	0.6%	0.7%	0.9%	0.8%	0.6%	0.4%	0.3%	0.3%	0.4%	0.4%	0.3%	0.2%	0.2%	0.3%
Other Income, Net	0.5%	0.5%	0.4%	0.3%	0.4%	0.7%	0.6%	0.3%	0.4%	0.5%	0.7%	0.5%	0.5%	0.5%	0.6%
Pretax Income	1.5%	0.8%	2.2%	4.1%	7.3%	6.8%	9.4%	8.7%	6.0%	7.8%	5.4%	8.5%	8.7%	6.9%	7.5%
Income Tax	43.5%	38.4%	29.8%	32.1%	29.7%	36.2%	37.0%	35.7%	33.7%	35.8%	36.0%	36.0%	36.0%	36.0%	36.0%
Net Income	0.8%	0.5%	1.5%	2.7%	4.9%	4.3%	5.9%	5.6%	4.0%	5.0%	3.4%	5.5%	5.6%	4.4%	4.8%
Revenue by Segment															
Rail Products	$126.8	$144.5	$157.8	$189.5	$260.8	$45.8	$60.8	$65.6	$62.3	$234.5	$36.6	$51.7	$59.0	$56.1	$203.4
Construction Products	$121.6	$136.5	$174.9	$180.5	$211.6	$40.2	$60.0	$69.8	$72.9	$242.9	$46.2	$63.0	$75.0	$80.2	$264.4
Tubular Products	$15.9	$16.9	$20.8	$19.8	$36.6	$7.5	$9.0	$10.1	$8.5	$35.1	$7.1	$8.6	$9.6	$8.3	$33.6
Total	$264.3	$297.9	$353.5	$389.8	$509.0	$93.4	$129.8	$145.5	$143.7	$512.5	$89.9	$123.2	$143.7	$144.6	$501.4
Revenue % by Segment															
Rail Products	48.0%	48.5%	44.6%	48.6%	51.2%	49.0%	46.8%	45.1%	43.4%	45.8%	40.7%	41.9%	41.1%	38.8%	40.6%
Construction Products	46.0%	45.8%	49.5%	46.3%	41.6%	43.0%	46.2%	48.0%	50.7%	47.4%	51.4%	51.1%	52.2%	55.5%	52.7%
Tubular Products	6.0%	5.7%	5.9%	5.1%	7.2%	8.0%	6.9%	7.0%	5.9%	6.9%	7.9%	6.9%	6.7%	5.8%	6.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue Segment (Year / Year)															
Rail Products	-1.1%	14.0%	9.2%	20.1%	37.7%	-27.5%	-23.3%	6.8%	9.2%	-10.1%	-20.0%	-15.0%	-10.0%	-10.0%	-13.2%
Construction Products	4.1%	12.3%	28.2%	3.2%	17.2%	-2.9%	1.9%	12.0%	48.8%	14.8%	15.0%	5.0%	7.5%	10.0%	8.9%
Tubular Products	22.9%	6.1%	23.3%	-4.8%	84.7%	22.2%	-13.6%	-15.8%	6.0%	-4.1%	-5.0%	-5.0%	-5.0%	-2.0%	-4.3%
Total	2.4%	12.7%	18.7%	10.3%	30.6%	-15.6%	-12.6%	7.2%	26.0%	0.7%	-3.8%	-5.1%	-1.3%	0.6%	-2.1%
Backlog by Segment															
Rail Products	$37.5	$29.1	$56.6	$64.1	$61.6	$57.5	$60.6	$72.4	$68.4						
Construction Products	$67.1	$67.7	$71.4	$66.1	$70.3	$110.2	$121.7	$97.0	$57.6						
Tubular Products	$1.0	$3.2	$1.5	$11.1	$6.4	$6.0	$9.9	$9.4	$6.5						
Total	$105.7	$100.1	$129.5	$141.3	$138.3	$173.7	$192.2	$178.8	$132.5						

Fiscal Year End - December

($ in millions, except per share data)

Note: FY08 EPS and EBIT excludes one-time gains

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Balance Sheet	2003	2004	2005	2006	2007	Q1-08	Q2-08	Q3-08	Q4-08	2008	Q1-09E	Q2-09E	Q3-09E	Q4-09E	2009E
Assets															
Cash	$4.1	$0.3	$1.6	$3.0	$121.1	$117.2	$107.6	$111.8	$115.0	$115.0	$110.0	$105.0	$105.0	$105.0	$105.0
Accounts Receivable	$34.8	$39.9	$47.4	$66.0	$53.6	$45.7	$73.9	$69.5	$64.3	$64.3	$45.3	$71.6	$70.9	$68.1	$68.1
Inventories	$36.9	$42.0	$68.9	$98.0	$102.4	$100.7	$105.4	$120.3	$102.9	$102.9	$98.1	$100.5	$119.7	$104.9	$104.9
Other Current Assets	$2.7	$2.1	$2.5	$6.5	$7.2	$5.6	$5.1	$4.9	$4.1	$4.1	$4.0	$3.8	$3.6	$3.2	$3.2
Current Assets	$78.5	$84.3	$120.4	$173.5	$284.4	$269.2	$292.0	$306.5	$286.3	$286.3	$257.4	$280.9	$299.2	$281.3	$281.3
Net Property, Plant, and Equipment	$33.1	$30.4	$40.2	$52.0	$44.1	$44.1	$42.9	$41.4	$40.0	$40.0	$39.0	$38.0	$37.0	$36.0	$36.0
Goodwill	$0.4	$0.4	$0.6	$0.4	$0.4	$0.4	$0.4	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3	$0.4
Other Assets	$19.1	$19.1	$17.0	$18.0	$1.8	$1.8	$1.8	$1.8	$4.6	$4.6	$1.8	$2.8	$3.8	$4.8	$4.8
Total Assets	$131.2	$134.1	$178.3	$243.9	$330.8	$315.5	$337.1	$350.0	$331.2	$331.2	$298.5	$322.0	$340.3	$322.4	$322.5
Liabilities and Stockholders' Equity															
Accounts Payable	$23.9	$27.7	$42.8	$55.0	$53.5	$39.9	$65.8	$76.7	$70.6	$70.6	$44.0	$62.7	$75.8	$70.9	$70.9
Other Current Liabilities	$7.2	$9.1	$13.8	$13.0	$24.1	$13.8	$17.1	$18.4	$7.8	$7.8	$8.0	$10.0	$11.0	$10.0	$10.0
Short-term Debt	$0.6	$0.6	$7.6	$3.8	$6.2	$6.2	$5.9	$6.0	$5.8	$5.8	$5.6	$5.5	$5.5	$5.4	$5.4
Current Liabilities	$31.7	$37.5	$64.3	$71.8	$83.8	$59.9	$88.8	$101.1	$84.2	$84.2	$57.6	$78.2	$92.3	$86.3	$86.3
Long-term Debt	$20.9	$17.4	$29.3	$54.6	$16.2	$15.5	$14.8	$14.1	$21.7	$21.7	$20.0	$21.0	$22.0	$23.0	$23.0
Other Liabilities	$8.1	$5.5	$4.7	$15.5	$17.0	$18.1	$17.2	$16.0	$7.9	$7.9	$7.9	$10.0	$12.0	$12.0	$12.0
Total Liabilities	$60.6	$60.4	$98.3	$141.9	$116.9	$93.5	$120.8	$131.2	$113.8	$113.8	$85.5	$109.2	$126.3	$121.3	$121.3
Shareholder Equity	$70.5	$73.7	$80.0	$102.0	$213.8	$222.1	$216.4	$218.8	$217.4	$217.4	$220.5	$227.2	$235.2	$241.6	$241.6
Total Liabilities and Equity	$131.2	$134.1	$178.3	$243.9	$330.8	$315.5	$337.1	$350.0	$331.2	$331.2	$306.0	$336.4	$361.5	$362.9	$362.9
Book Value Per Share	$7.24	$7.18	$7.66	$9.44	$19.49	$19.93	$19.60	$20.45	$20.90	$20.09	$21.20	$21.64	$22.40	$22.79	$23.01
Asset Utilization and Efficiency															
Accounts Receivable Turnover	7.1	8.0	8.1	6.9	8.5	7.5	8.7	8.1	8.6	8.7	7.5	8.7	8.1	8.6	7.6
Days' Sales in Receivables Outstanding	48.0	48.9	48.9	61.8	38.4	44.6	51.9	43.6	40.8	45.8	46.0	53.0	45.0	43.0	49.6
Inventory Turnover	6.3	6.1	4.6	3.8	4.4	3.1	4.2	4.4	4.4	3.9	3.2	4.3	4.5	4.5	3.8
Days' Sales in Inventory Outstanding	57.9	57.4	80.3	105.8	86.4	118.1	89.1	89.4	75.8	86.9	118.1	89.1	90.0	77.0	90.2
Accounts Payable Turnover	8.6	8.9	6.9	6.7	7.9	6.7	8.2	6.9	6.7	5.9	6.7	8.2	6.9	6.7	5.8
Days' Purchases in Payables Outstanding	37.5	37.9	49.9	59.4	45.1	53.0	55.6	57.0	52.0	59.6	53.0	55.6	57.0	52.0	56.0
Cash Conversion Cycle (Days)	68.5	68.4	79.3	108.2	79.7	109.7	85.4	76.0	64.6	73.1	109.7	85.4	76.0	64.6	83.8
Capital Structure															
Total Debt-to-Total Capital Ratio	22.8%	19.1%	26.8%	34.9%	7.0%	6.5%	6.4%	6.1%	9.1%	9.1%	8.3%	8.5%	8.6%	8.7%	8.7%
Total Debt-to-Equity Ratio	29.6%	23.6%	36.6%	53.5%	7.6%	7.0%	6.8%	6.4%	10.0%	10.0%	9.1%	9.2%	9.4%	9.5%	9.5%

Fiscal Year End - December
($ in millions, except per share data)

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ROIC and Free Cash Flow	2003	2004	2005	2006	2007	Q1-08	Q2-08	Q3-08	Q4-08	2008	Q1-09E	Q2-09E	Q3-09E	Q4-09E	2009E
NOPAT															
EBIT	$4.8	$2.7	$8.9	$17.9	$39.0	$6.3	$11.9	$12.6	$8.4	$39.2	$4.6	$10.3	$12.1	$9.5	$36.6
Cash Taxes on EBIT	$0.7	$0.2	$1.6	$4.0	$9.8	$2.1	$4.3	$4.3	$2.8	$13.5	$2.1	$4.3	$4.3	$2.8	$13.1
NOPAT	$4.1	$2.5	$7.4	$14.0	$29.2	$4.2	$7.6	$8.3	$5.6	$25.7	$4.2	$7.6	$8.3	$5.6	$23.5
Cash Taxes on EBIT															
Income Tax Provision	$1.7	$0.9	$2.3	$5.1	$11.0	$2.3	$4.5	$4.5	$2.9	$14.2	$1.7	$3.8	$4.5	$3.6	$13.6
Taxes on Interest Expense	($1.0)	($0.7)	($0.7)	($1.1)	($1.2)	($0.2)	($0.2)	($0.2)	($0.1)	($0.7)	$3.1	$6.7	$8.0	$6.4	($0.5)
Cash Taxes on EBIT	$0.7	$0.2	$1.6	$4.0	$9.8	$2.1	$4.3	$4.3	$2.8	$13.5	$4.8	$10.5	$12.5	$9.9	$13.1
Invested Capital															
Total Debt	$21.5	$18.0	$36.9	$58.4	$22.4	$21.7	$20.7	$20.1	$27.5	$27.5	$25.6	$26.5	$27.5	$28.4	$28.4
Stockholders' Equity	$70.5	$73.7	$80.0	$102.0	$213.8	$222.1	$216.4	$218.8	$217.4	$217.4	$220.5	$227.2	$235.2	$241.6	$241.6
Total Cash & Short-term Investments	$4.1	$0.3	$1.6	$3.0	$121.1	$117.2	$107.6	$111.8	$115.0	$115.0	$110.0	$105.0	$105.0	$105.0	$105.0
Invested Capital	$87.9	$91.4	$115.3	$157.4	$115.1	$126.5	$129.4	$127.1	$129.9	$129.9	$136.1	$148.7	$157.7	$165.0	$165.0
Return on Invested Capital															
Return on Invested Capital (Average)	4.6%	2.8%	7.1%	10.2%	21.4%	13.7%	23.8%	25.8%	17.5%	21.0%	3.2%	5.5%	5.8%	3.8%	15.9%
Note: Quarterly Figures Have Been Annualized															
Free Cash Flow															
Net Income (Loss)	$2.2	$1.5	$5.4	$10.7	$25.0	$4.1	$7.7	$8.1	$5.7	$25.5	$3.1	$6.7	$8.0	$6.4	$24.2
Adjustments:															
Depreciation and Amortization	$5.2	$5.3	$5.3	$6.1	$8.3	$2.2	$2.2	$2.3	$2.2	$8.9	$2.2	$2.2	$2.3	$2.0	$8.7
Changes in Operating Assets and Liabilities:															
Accounts Receivable	$4.6	($5.2)	($7.5)	($18.6)	$12.4	$7.9	($28.2)	$4.4	$5.2	($10.7)	$19.0	($26.2)	$0.7	$2.7	($3.8)
Inventories	($3.8)	($5.1)	($26.9)	($29.1)	($4.4)	$1.7	($4.7)	($14.9)	$17.4	($0.5)	$4.8	($2.4)	($19.2)	$14.8	($2.0)
Other Current Assets	($0.2)	$0.1	$0.1	($4.0)	($0.7)	$1.6	$0.5	$0.2	$0.8	$3.1	$0.1	$0.2	$0.2	$0.4	$0.9
Other Non-current Assets	($0.6)	($0.3)	($1.1)	($1.0)	$16.2	$0.0	$0.0	$0.0	($2.8)	($2.8)	$2.8	($1.0)	($1.0)	($1.0)	($0.2)
Accounts Payable	($0.2)	$3.9	$15.1	$12.2	($1.5)	($13.6)	$25.9	$10.9	($6.1)	$17.1	($26.6)	$18.7	$13.1	($4.9)	$0.3
Other Current Liabilities	$2.5	$0.5	$4.8	($0.8)	$11.1	($10.2)	$3.3	$1.3	($10.6)	($16.3)	$0.2	$2.0	$1.0	($1.0)	$2.2
Other Liabilities	($0.7)	($1.4)	$0.4	$10.8	$1.5	$1.1	($0.9)	($1.2)	($8.1)	($9.1)	$0.0	$2.1	$2.0	$0.0	$4.1
Total Changes in Operating Assets and Liabilities	$1.6	($7.5)	($15.1)	($30.5)	$34.4	($11.4)	($4.1)	$0.7	($4.2)	($19.0)	$0.3	($6.7)	($3.2)	$11.0	$1.4
Net Cash Flow from Operations	$9.1	($0.5)	($3.6)	($17.9)	$67.6	($6.8)	$6.4	$10.5	$3.1	$13.3	$5.6	$2.3	$7.1	$19.4	$33.7
Capital Expenditures	($2.6)	($2.6)	($15.3)	($17.0)	($5.3)	($2.1)	($1.0)	($0.9)	($0.8)	($4.8)	($1.6)	($1.4)	($1.2)	($0.8)	($5.0)
Free Cash Flow	$6.5	($3.1)	($18.9)	($34.9)	$62.3	($8.9)	$5.4	$9.6	$2.3	$8.5	$4.0	$0.9	$5.9	$18.6	$28.7
Free Cash Flow per Share	$0.67	($0.30)	($1.81)	($3.23)	$5.68	($0.79)	$0.49	$0.90	$0.22	$0.78	$0.38	$0.08	$0.56	$1.75	$2.74

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