

FOSTER L B CO  
Form 10-Q  
November 08, 2012

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 September 30, 2012

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 25-1324733  
(State of Incorporation) (I. R. S. Employer Identification No.)

415 Holiday Drive, Pittsburgh, Pennsylvania 15220  
(Address of principal executive offices) (Zip Code)

(412) 928-3417

(Registrant's telephone number, including area code)

Edgar Filing: FOSTER L B CO - Form 10-Q

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 of 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 [X] [ ]

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 [X] [ ]

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 [X] Non-accelerated filer [ ] Smaller reporting company [ ]  
(Do not check if a 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 [X]

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 October 28, 2012
Common Stock, Par Value \$.01	10,143,398 Shares

L.B. FOSTER COMPANY AND SUBSIDIARIES

INDEX

PART I. Financial Information	Page
Item 1. Financial Statements:	
Condensed Consolidated Balance Sheets (unaudited)	3
Condensed Consolidated Statements of Operations (unaudited)	4
Condensed Consolidated Statements of Comprehensive Income (unaudited)	5
Condensed Consolidated Statements of Cash Flows (unaudited)	6
Notes to Condensed Consolidated Financial Statements (unaudited)	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	24
Item 3. Quantitative and Qualitative Disclosures about Market Risk	35
Item 4. Controls and Procedures	35
PART II. Other Information	
Item 1. Legal Proceedings	35
Item 1A. Risk Factors	36
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	36
Item 5. Other Information	37
Signature	38
Item 6. Exhibits	39



PART I. FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS  
L. B. FOSTER COMPANY AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands, except share data)

	September 30, 2012 (Unaudited)	December 31, 2011
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 100,658	\$ 73,727
Accounts and notes receivable:		
Trade	85,382	64,562
Other	612	1,934
	85,994	66,496
Inventories	90,928	89,464
Current deferred tax assets	7,386	-
Prepaid income taxes	504	3,684
Other current assets	2,978	1,758
Current assets of discontinued operations	1,333	4,864
Total Current Assets	289,781	239,993
Property, Plant Equipment - At Cost	123,087	124,296
Less Accumulated Depreciation	(78,887)	(78,459)
	44,200	45,837
Other Assets:		
Goodwill	41,237	41,237
Other intangibles - net	40,974	42,871
Investments	4,137	3,495
Other assets	1,361	1,415
Assets of discontinued operations	-	5,046
<b>TOTAL ASSETS</b>	<b>\$ 421,690</b>	<b>\$ 379,894</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$ 362	\$ 2,384
Accounts payable - trade	59,259	49,213
Deferred revenue	8,521	6,833

Edgar Filing: FOSTER L B CO - Form 10-Q

Accrued payroll and employee benefits	8,100	9,483
Current deferred tax liabilities	-	759
Accrued warranty provision	28,113	6,632
Other accrued liabilities	11,570	8,134
Liabilities of discontinued operations	263	1,294
Total Current Liabilities	116,188	84,732
Long-Term Debt	33	51
Deferred Tax Liabilities	11,017	11,708
Other Long-Term Liabilities	13,074	13,588
STOCKHOLDERS' EQUITY:		
Common stock, issued 10,142,019 shares at 9/30/2012 and 10,073,403 shares at 12/31/2011	111	111
Paid-in capital	45,753	47,349
Retained earnings	263,904	255,152
Treasury stock - at cost, Common Stock, 973,760 shares at 9/30/2012 and 1,042,376 shares at 12/31/2011	(25,719)	(28,169)
Accumulated other comprehensive loss	(2,671)	(4,628)
Total Stockholders' Equity	281,378	269,815
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 421,690	\$ 379,894

See Notes to Condensed Consolidated Financial Statements.

L. B. FOSTER COMPANY AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (In Thousands, Except Per Share Amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(Unaudited)		(Unaudited)	
Net Sales	\$ 170,346	\$ 158,323	\$ 447,817	\$ 441,602
Cost of Goods Sold	139,634	128,728	383,117	369,716
Gross Profit	30,712	29,595	64,700	71,886
Selling and Administrative Expenses	16,581	16,789	50,142	47,897
Amortization Expense	703	699	2,097	2,096
Interest Expense	141	170	405	443
Interest Income	(126)	(74)	(319)	(224)
Equity in Income of Nonconsolidated Investment	(310)	(287)	(643)	(570)
Loss/(Gain) on Foreign Exchange	283	(711)	457	(497)
Other Expense/(Income)	329	(650)	(453)	(822)
	17,601	15,936	51,686	48,323
Income From Continuing Operations Before Income Taxes	13,111	13,659	13,014	23,563
Income Tax Expense	4,647	4,308	4,892	7,313
Income From Continuing Operations	8,464	9,351		