

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) October 26, 2004

L. B. Foster Company

-----  
(Exact name of registrant as specified in its charter)

Pennsylvania

000-10436

25-1324733

-----  
(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

415 Holiday Drive, Pittsburgh, Pennsylvania

15220

-----  
(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (412) 928-3417

n/a

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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On October 26, 2004, L.B. Foster Company (the "Company") issued a press release announcing the Company's results of operations for the third quarter ended September 30, 2004. A copy of that press release is furnished with this report as Exhibit 99.1.

The information contained in this Current Report shall not be deemed to be "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934 (the "Exchange Act"), as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities and Exchange Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

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 hereunto duly authorized.

L. B. Foster Company  
(Registrant)

Date: October 26, 2004

By: /s/David J. Russo

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

EXHIBIT INDEX

Exhibit Number -----	Description -----
99.1	Press Release dated October 26, 2004, of L. B. Foster Company.

## L. B. Foster Company Reports Third Quarter Results

PITTSBURGH, Oct. 26 /PRNewswire-FirstCall/ -- L. B. Foster Company (Nasdaq: FSTR), a manufacturer, fabricator, and distributor of rail, construction, and tubular products, today reported net income from continuing operations of \$1.3 million (\$0.13 per share) in the third quarter of 2004 versus \$1.4 million (\$0.14 per share) in the third quarter of 2003. Pre-tax earnings were \$2.1 million compared to \$2.3 million in the prior year quarter, a 6.6% decline. Included in the current quarter results was a \$1.0 million LIFO charge, due primarily to higher steel prices.

Net income for the third quarter of 2004 was \$1.3 million (\$0.13 per share) versus net income of \$2.9 million (\$0.30 per share) for the third quarter of 2003. Net income for the third quarter of 2003 included \$1.5 million or \$0.16 per share from discontinued operations related to the tax benefits from the dissolution of the Company's Foster Technologies subsidiary.

Net sales for the third quarter of 2004 were \$85.9 million compared to \$75.8 million in 2003, an increase of 13% while gross margins declined by 1.7 percentage points to 10.9%. The increase in net sales was due primarily to a 43% increase in new rail distribution sales and a 31% increase in piling sales. The decline in gross profit margin percentage was principally due to the effects of escalating steel prices, which include a \$1.0 million noncash LIFO charge and to the fact that our third quarter sales increases came from our lower margin distribution businesses. Selling and administrative expenses declined slightly by \$0.1 million or 1% from the same prior year period. Third quarter interest expense declined 22% from the prior year due principally to the retirement of a \$10.0 million LIBOR based interest rate collar agreement in April 2004 that had a minimum annual interest rate. Other income declined by \$0.2 million primarily as a result of a decrease in the mark-to-market adjustment recorded by the Company related to its interest rate collar agreement in the third quarter of 2004.

For the nine months ended September 30, 2004, the Company reported net income from continuing operations of \$2.5 million (\$0.25 per share) versus net income from continuing operations of \$2.6 million (\$0.27 per share) for the same period a year ago.

Net income for the first nine months of 2004 was \$2.5 million (\$0.25 per share) versus net income of \$3.8 million (\$0.40 per share) for the first nine months of 2003. The 2003 results included \$1.3 million of income (\$0.13 per share) from discontinued operations primarily related to the previously mentioned tax benefits from the dissolution of the Company's Foster Technologies subsidiary.

Net sales for the nine months ended September 30, 2004 were \$228.1 million compared to \$211.1 million in 2003, an increase of 8% while gross margins declined by 1.4 percentage points to 10.8%. The increase in net sales came primarily from our new rail and piling distribution businesses. The decline in gross profit margin percentage was attributable to the effects of escalating steel prices, which include a \$1.1 million noncash LIFO charge and to the fact that our sales increases came from our lower margin distribution businesses. Selling and administrative expenses remained stable as compared to the same prior year period. Interest expense declined 20% as a result of the previously mentioned collar retirement and a reduction in average borrowing levels during the current year. Other income increased \$0.5 million primarily as a result of the first quarter sale of the Company's former Newport, KY pipe coating machinery and equipment which had been classified as "held for resale" and the mark-to-market adjustment recorded by the Company related to its remaining interest rate collar.

Cash flow from operations was negative for the first nine months of 2004 as the Company's working capital has increased with the increased sales volume. The cash requirements were funded primarily from existing cash and revolving credit facility borrowings. Capital expenditures for the nine months ended September 30, 2004 were \$2.1 million as compared to \$2.0 million in the same period of 2003.

President and CEO, Stan Hasselbusch commented, "Although we continue to capitalize on market improvements in Rail Distribution and Piling, we are negatively impacted by escalating steel costs in the fixed price contract areas of Fabricated and Transit Products. Third quarter Rail Distribution and Piling sales were up 43% and 31%, respectively. However, the increased income generated from these businesses was essentially offset by declines from our Fabricated and Transit Products businesses."

Hasselbusch continued, "Additionally, a non-cash LIFO provision reduced pretax earnings by \$990,000 for the third quarter. We expect an additional LIFO provision will be necessary in the fourth quarter."

The Company wishes to caution readers that various factors could cause the actual results of the Company to differ materially from those indicated by forward-looking statements in news releases, and other communications, including oral statements, such as references to future profitability, made from time to time by representatives of the Company. Specific risks and uncertainties that could affect the Company's profitability include, but are not limited to, general economic conditions, adequate funding for

infrastructure projects (including the passage of an adequate highway and transit bill), the potential value or viability of the DM&E, the ability to secure significant sales contracts, the Company's ability to obtain special trackwork products and continued availability of existing and new piling products. Matters discussed in such communications are forward-looking statements that involve risks and uncertainties. Sentences containing words such as "anticipates," "expects," or "will," generally should be considered forward-looking statements. More detailed information on these and additional factors which could affect the Company's operating and financial results are described in the Company's Forms 10-K, 10-Q and other reports, filed or to be filed with the Securities and Exchange Commission. The Company urges all interested parties to read these reports to gain a better understanding of the many business and other risks that the Company faces. The forward-looking statements contained in this press release are made only as of the date hereof, and the Company undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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

	Three Months Ended		Nine Months Ended	
	Sept. 30,		Sept. 30,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
NET SALES	\$85,858	\$75,802	\$228,137	\$211,117
COSTS AND EXPENSES:				
Cost of goods sold	76,534	66,261	203,498	185,447
Selling and administrative expenses	6,993	7,096	20,448	20,493
Interest expense	452	576	1,384	1,733
Other income	(222)	(381)	(1,266)	(755)
	83,757	73,552	224,064	206,918
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	2,101	2,250	4,073	4,199
INCOME TAXES	759	871	1,549	1,633
INCOME FROM CONTINUING OPERATIONS	1,342	1,379	2,524	2,566
DISCONTINUED OPERATIONS:				
LOSS FROM OPERATIONS OF FOSTER TECHNOLOGIES	0	(70)	0	(510)
INCOME TAX BENEFIT	0	(1,616)	0	(1,789)
INCOME FROM DISCONTINUED OPERATIONS	0	1,546	0	1,279
NET INCOME	\$1,342	\$2,925	\$2,524	\$3,845
BASIC AND DILUTED EARNINGS PER SHARE:				
FROM CONTINUING OPERATIONS	\$0.13	\$0.14	\$0.25	\$0.27
FROM DISCONTINUED OPERATIONS	0.00	0.16	0.00	0.13
BASIC AND DILUTED EARNINGS PER SHARE	\$0.13	\$0.30	\$0.25	\$0.40
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	10,018	9,593	9,924	9,562
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - DILUTED	10,306	9,774	10,237	9,682

L. B. Foster Company and Subsidiaries  
Consolidated Balance Sheet  
(\$ 000's)

	September 30, 2004	December 31, 2003
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash items	\$183	\$4,134
Accounts and notes receivable:		
Trade	49,495	34,668
Other	39	105
Inventories	46,034	36,894
Current deferred tax assets	1,413	1,413

Other current assets	916	877
Property held for resale	0	446
Total Current Assets	98,080	78,537
OTHER ASSETS:		
Property, plant & equipment-net	31,237	33,135
Goodwill	350	350
Other intangibles - net	470	585
Investments	14,450	13,707
Deferred tax assets	4,107	4,095
Other non-current assets	72	750
Total Other Assets	50,686	52,622
	\$148,766	\$131,159
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities on long-term debt	\$459	\$611
Short-term borrowings	775	0
Accounts payable-trade and other	32,160	23,874
Accrued payroll and employee benefits	3,448	2,909
Current deferred tax liabilities	1,749	1,749
Other accrued liabilities	3,603	2,550
Total Current Liabilities	42,194	31,693
LONG-TERM BORROWINGS	22,000	17,000
OTHER LONG-TERM DEBT	3,505	3,858
DEFERRED TAX LIABILITIES	3,653	3,653
OTHER LONG-TERM LIABILITIES	2,707	4,411
STOCKHOLDERS' EQUITY:		
Class A Common stock	102	102
Paid-in Capital	35,100	35,018
Retained Earnings	40,923	38,399
Treasury Stock	(724)	(2,304)
Accumulated Other Comprehensive Loss	(694)	(671)
Total Stockholders' Equity	74,707	70,544
	\$148,766	\$131,159

SOURCE L. B. Foster Company

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10/26/2004

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or fax, +1-412-928-7891, or email, investors@LBFosterCo.com /  
(FSTR)

CO: L. B. Foster Company

ST: Pennsylvania

IN: CST TRN

SU: ERN