

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) July 28, 2006

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

(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 (see General Instruction A.2. below):

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 July 28, 2006, L.B. Foster Company (the "Company") issued a press release announcing the Company's results of operations for the second quarter ended June 30, 2006. 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.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release issued by L.B. Foster Company, July 28, 2006.

SIGNATURES

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 July 28, 2006

/s/ David J. Russo  
-----  
David J. Russo

Senior Vice President,  
Chief Financial Officer and Treasurer

EXHIBIT INDEX

Exhibit Number -----	Description -----
99.1	Press Release dated July 28, 2006, of L. B. Foster Company.

L. B. Foster Company

415 Holiday Drive, Pittsburgh, PA 15220

Contact: Stan L. Hasselbusch

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FOR IMMEDIATE RELEASE

L. B. FOSTER COMPANY

REPORTS STRONG SECOND QUARTER

RESULTING IN 93% INCREASE IN INCOME FROM

CONTINUING OPERATIONS

PITTSBURGH, PA, July 28, 2006 - L.B. Foster Company (NASDAQ: FSTR), a leading manufacturer, fabricator, and distributor of rail, construction, and tubular products, today reported that its second quarter earnings per diluted share from continuing operations increased to \$0.29 from \$0.15, a 93% increase, the sixth consecutive quarter the Company has recorded an earnings increase over the prior year.

#### 2006 Second Quarter Results

In the second quarter of 2006, L. B. Foster had earnings per diluted share of 28 cents and net income of \$3.0 million compared to 15 cents per diluted share and net income of \$1.6 million in the second quarter of 2005. The \$0.1 million loss from discontinued operations reflects the winding down of our former Geotechnical Division, which was sold in the first quarter of 2006. Diluted earnings per share from continuing operations were 29 cents on earnings of \$3.1 million compared to 15 cents on earnings of \$1.6 million in 2005.

Net sales increased 9% to \$99.3 million compared to \$90.7 million in the prior year quarter.

Gross profit margin was 13.5%, up 230 basis points from the prior year quarter primarily as a result of increased billing margins.

Selling and administrative expenses increased \$1.3 million or 18% over last year's quarter due primarily to employee related costs and benefit expenses. Second quarter interest expense increased \$0.3 million over the prior year due to increased interest rates and increased borrowings. The increase in borrowings was due primarily to an increase in working capital requirements as well as higher than typical capital investments made during the past three quarters. The Company's income tax rate from continuing operations was 29.0% in the second quarter compared to 34.6% in the prior year quarter. The lower tax rate in 2006 is the result of releasing a portion of the valuation allowance provided for state net operating losses due to a change in the Company's estimate of its ability to utilize those net operating losses in future periods.

"Construction Products and Rail Products continued to deliver strong sales and more importantly, improved gross profit margins. Our concrete tie business results improved again due to strong activity at our Spokane facility. Our precast buildings business also contributed significantly improved margins on moderately increased sales and our Fabricated Products Division continued its improvement over last year's second quarter as well as the first quarter of this year," remarked Stan Hasselbusch, President and Chief Executive Officer. "We are pleased to report that our recently refurbished Grand Island facility continued to increase tie production to anticipated levels. Additionally, our Tucson concrete tie facility has recently commenced test-casting of concrete ties and will continue to work through mix design and mechanical issues as it prepares for commissioning in the September to October time frame," added Mr. Hasselbusch.

#### 2006 First Half Results

In the first half of 2006, L.B. Foster had income from continuing operations of \$4.3 million or 40 cents per diluted share compared to \$2.2 million or 21 cents per diluted share for the first six months of 2005. Income from discontinued operations for the first half of 2006 was \$2.6 million which includes the gain on the sale of our former Geotechnical Division of \$3.0 million, reduced by a \$0.4 million loss from operations and wind down costs. The discontinued operations income tax provision was favorably affected by the release of a valuation allowance recorded in 2003 related to a capital loss carryforward.

Net sales for the first six months of 2006 increased 16% to \$183.5 million compared to \$158.3 million in 2005. Gross profit margin was 12.7%, up 160 basis points from the first six months of 2005, primarily as a result of increased billing margins.

Selling and administrative expenses increased \$2.5 million or 18% over the same prior year period due primarily to employee related costs and benefit expenses. Interest expense increased \$0.5 million over the prior year due to increased interest rates and increased borrowings. The Company's income tax rate from continuing operations was 30.6% compared to 33.5% in the prior year due to the same reasons stated in the first quarter discussion.

Cash used from operations was approximately \$14 million for the first half of 2006, due to an expected ramp up in activity in anticipation of a seasonally strong spring/summer period. Capital expenditures for the same period were \$8.7 million as we continued to progress toward completion of the Tucson concrete tie facility and substantially completed our new rail products manufacturing facility in Pueblo, Co.

Mr. Hasselbusch concluded, "Overall business activity remains strong and is reflected in our first quarter order bookings. Bookings for the first half were \$243 million, 32% higher than the same period last year. Backlog at June 30, 2006 was \$159 million, which was 60% higher than last year."

L. B. Foster Company will conduct a conference call and webcast to discuss its second quarter operating results on Friday, July 28, 2006 at 11:00am ET. The call will be hosted by Mr. Stan Hasselbusch, President and Chief Executive Officer. Listen via audio on the L.B. Foster web site: [www.lbfoster.com](http://www.lbfoster.com), by accessing the Investor Relations page.

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, the potential value of the Dakota Minnesota & Eastern Railroad, delays or problems encountered during construction or implementation at our concrete tie facilities, and the continued availability of existing and new piling and rail 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 June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	(Unaudited)		(Unaudited)	
NET SALES	\$ 99,313	\$ 90,712	\$ 183,468	\$ 158,345
COSTS AND EXPENSES:				
Cost of goods sold	85,868	80,577	160,219	140,873
Selling and administrative expenses	8,685	7,348	16,416	13,878
Interest expense	858	573	1,523	997
Other income	(433)	(227)	(864)	(727)
	94,978	88,271	177,294	155,021
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	4,335	2,441	6,174	3,324
INCOME TAXES	1,256	844	1,889	1,112
INCOME FROM CONTINUING OPERATIONS, NET OF TAX	3,079	1,597	4,285	2,212
DISCONTINUED OPERATIONS:				
(LOSS) INCOME FROM DISCONTINUED OPERATIONS	(118)	2	2,701	26
INCOME TAX (BENEFIT) EXPENSE	(21)	1	120	12
(LOSS) INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX	(97)	1	2,581	14
NET INCOME	\$ 2,982	\$ 1,598	\$ 6,866	\$ 2,226
BASIC EARNINGS PER COMMON SHARE:				
FROM CONTINUING OPERATIONS	\$ 0.30	\$ 0.16	\$ 0.42	\$ 0.22
FROM DISCONTINUED OPERATIONS	(0.01)	0.00	0.25	0.00
BASIC EARNINGS PER COMMON SHARE	\$ 0.29	\$ 0.16	\$ 0.67	\$ 0.22
DILUTED EARNINGS PER COMMON SHARE:				
FROM CONTINUING OPERATIONS	\$ 0.29	\$ 0.15	\$ 0.40	\$ 0.21
FROM DISCONTINUED OPERATIONS	(0.01)	0.00	0.24	0.00
DILUTED EARNINGS PER COMMON SHARE	\$ 0.28	\$ 0.15	\$ 0.64	\$ 0.21

AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	=====	=====	=====	=====
	10,372	10,085	10,284	10,076
	=====	=====	=====	=====
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - DILUTED	=====	=====	=====	=====
	10,802	10,409	10,729	10,402
	=====	=====	=====	=====

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

	June 30, 2006	December 31, 2005
	----- (Unaudited)	-----
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
-----		
Cash and cash items	\$ 1,401	\$ 1,596
Accounts and notes receivable:		
Trade	54,737	44,087
Other	510	1,354
Inventories	74,855	67,044
Current deferred tax assets	1,779	1,779
Other current assets	1,570	703
Current assets of discontinued operations	0	3,867
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<b>Total Current Assets</b>	<b>134,852</b>	<b>120,430</b>
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<b>OTHER ASSETS:</b>		
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Property, plant & equipment-net	47,195	38,761
Goodwill	350	350
Other intangibles - net	104	144
Investments	16,181	15,687
Deferred tax assets	1,214	1,183
Other non-current assets	398	177
Assets of discontinued operations	0	1,554
	-----	-----
<b>Total Other Assets</b>	<b>65,442</b>	<b>57,856</b>
	-----	-----
	<b>\$ 200,294</b>	<b>\$ 178,286</b>
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
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Current maturities on long-term debt	\$ 2,200	\$ 1,759
Short-term borrowings	6,558	5,881
Accounts payable-trade and other	40,752	41,087
Accrued payroll and employee benefits	4,854	5,875
Current deferred tax liabilities	4,845	4,845
Other accrued liabilities	1,732	3,128
Current liabilities of discontinued operations	399	1,760
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<b>Total Current Liabilities</b>	<b>61,340</b>	<b>64,335</b>
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<b>LONG-TERM BORROWINGS</b>	<b>32,884</b>	<b>20,848</b>
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<b>OTHER LONG-TERM DEBT</b>	<b>10,287</b>	<b>8,428</b>
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<b>DEFERRED TAX LIABILITIES</b>	<b>1,615</b>	<b>1,615</b>
	-----	-----
<b>OTHER LONG-TERM LIABILITIES</b>	<b>3,561</b>	<b>3,071</b>
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<b>STOCKHOLDERS' EQUITY:</b>		
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Class A Common stock	105	102
Paid-in Capital	39,227	35,598
Retained Earnings	52,179	45,313
Treasury Stock	0	(126)
Accumulated Other Comprehensive Loss	(904)	(898)
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<b>Total Stockholders' Equity</b>	<b>90,607</b>	<b>79,989</b>
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	<b>\$ 200,294</b>	<b>\$ 178,286</b>
	=====	=====

