

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, 2005  
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L. B. Foster Company  
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(Exact name of registrant as specified in its charter)

Pennsylvania

000-10436

25-1324733  
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(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

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

415 Holiday Drive, Pittsburgh, Pennsylvania

15220  
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(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (412) 928-3417  
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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 (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  
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On October 26, 2005, L.B. Foster Company (the "Company") issued a press release announcing the Company's results of operations for the third quarter ended September 30, 2005. 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  
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(c) Exhibits

99.1 Press Release issued by L.B. Foster Company, October 26, 2005.

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  
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(Registrant)

Date October 26, 2005  
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/s/David J. Russo  
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David J. Russo  
Senior Vice President,  
Chief Financial Officer and Treasurer

EXHIBIT INDEX

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Exhibit Number

Description

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99.1                    Press Release dated October 26, 2005, of L. B. Foster Company.

## PRESS RELEASE

L. B. Foster Company

415 Holiday Drive, Pittsburgh, PA 15220

Contact: Stan L. Hasselbusch

Phone: (412) 928-3417

FAX: (412) 928-7891

Email: investors@LBFosterCo.com

FOR IMMEDIATE RELEASE

L. B. FOSTER COMPANY

REPORTS THIRD QUARTER EARNINGS UP 75%

PITTSBURGH, PA, October 26, 2005 - L.B. Foster Company (NASDAQ: FSTR), a manufacturer, fabricator, and distributor of rail, construction, and tubular products, today reported net income of \$2.3 million (\$0.22 per diluted share) in the third quarter of 2005 versus net income of \$1.3 million (\$0.13 per diluted share) in the third quarter of 2004.

Net sales for the third quarter of 2005 were \$97.5 million compared to \$85.9 million in 2004, an increase of 14%, primarily due to increased sales of Piling. Gross margins increased one percentage point to 11.9% as a result of reduced LIFO expense compared to the same period a year ago. Selling and administrative expenses increased \$0.9 million or 13% over the same prior year period due to employee compensation and benefits. Third quarter interest expense increased \$0.3 million from the prior year due to increased interest rates and increased borrowings. The increase in borrowings was due primarily to working capital requirements related to increased volumes as well as the Company stocking more sheet piling inventory as it becomes available to accommodate higher margin stock sales. Higher than typical capital investments also contributed to our increased borrowing. Other income increased \$0.3 million due to rental income and increased income from a mark-to-market adjustment recorded by the Company related to its interest rate collar. The third quarter income tax rate was 31.5% compared to 36.1% in last year's quarter. The prior year rate reflects an increase in the valuation allowance provided against certain deferred assets.

For the nine months ended September 30, 2005, the Company reported net income of \$4.6 million (\$0.44 per diluted share) versus net income of \$2.5 million (\$0.25 per diluted share) for the same period a year ago.

Net sales for the nine months ended September 30, 2005 were \$270.7 million compared to \$228.1 million in 2004, an increase of 19% while gross margins improved slightly to 11.2%. Selling and administrative expenses rose \$2.6 million or 13% for the same reasons previously mentioned. Interest expense rose \$0.4 million as a result of increased borrowings and increased interest rates.

Cash flow from operations was break-even for the third quarter and a negative \$14.2 million for the first nine months of 2005 as the Company's working capital has increased, as previously mentioned. The cash requirements were funded primarily from revolving credit facility borrowings and interim fixed rate lease financing, as well as the proceeds of \$2.9 million from the sale of an unused facility in Doraville, GA. Capital expenditures for the nine months ended September 30, 2005 were \$12.7 million due to the construction of a new concrete tie manufacturing facility and upgrade of another, to meet the needs of a long-term contract with the Union Pacific Railroad for the supply of prestressed concrete railroad ties.

"We had strong performances in both our Tubular and Construction reporting segments in the third quarter. Piling and Coated Pipe, in particular, had exceptional quarters with sales increases of 57% and 168%, respectively," remarked Stan Hasselbusch, President and CEO.

"As anticipated, profitability was hampered in the third quarter due to the lack of production at our Grand Island concrete tie facility. This plant was closed in July as we began installing new tie-manufacturing equipment. This equipment is currently being commissioned and will be in full production in December, on schedule. Our new Tucson tie manufacturing facility, however, is behind schedule due to permitting issues. We anticipate start up of this facility in the second quarter of 2006."

Mr. Hasselbusch concluded by saying, "Overall, business activity remains strong and is reflected in new order bookings. Bookings for the quarter were \$100.2 million, 38% ahead of the same period last year."

L.B. Foster Company will conduct a conference call and webcast to discuss its third quarter operating results on Wednesday, October 26, 2005 at 11:00am EDT. The call will be hosted by Mr. Stan Hasselbusch, President and Chief Executive Officer and Mr. David Russo, Senior Vice President and Chief Financial 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 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 Sept. 30,		Nine Months Ended Sept. 30,	
	2005	2004	2005	2004
	(Unaudited)		(Unaudited)	
NET SALES	\$97,533	\$85,858	\$270,655	\$228,137
COSTS AND EXPENSES:				
Cost of goods sold	85,911	76,534	240,273	203,498
Selling and administrative expenses	7,896	6,993	23,036	20,448
Interest expense	778	452	1,775	1,384
Other income	(478)	(222)	(1,205)	(1,266)
	94,107	83,757	263,879	224,064
INCOME BEFORE INCOME TAXES	3,426	2,101	6,776	4,073
INCOME TAXES	1,078	759	2,202	1,549
NET INCOME	\$2,348	\$1,342	\$4,574	\$2,524
BASIC EARNINGS PER COMMON SHARE	\$0.23	\$0.13	\$0.45	\$0.25
DILUTED EARNINGS PER COMMON SHARE	\$0.22	\$0.13	\$0.44	\$0.25
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	10,150	10,018	10,101	9,924
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - DILUTED	10,534	10,306	10,453	10,237

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

	September 30, 2005	December 31, 2004
ASSETS		
(Unaudited)		
CURRENT ASSETS:		
Cash and cash items	\$3,405	\$280
Accounts and notes receivable:		
Trade	60,978	39,759
Other	1,408	170
Inventories	66,273	42,014
Current deferred tax assets	1,289	1,289
Other current assets	837	786
Total Current Assets	134,190	84,298
OTHER ASSETS:		
Property, plant & equipment - net	40,030	30,378
Goodwill	350	350
Other intangibles - net	315	430
Investments	15,439	14,697
Deferred tax assets	3,877	3,877
Other non-current assets	198	65
Total Other Assets	60,209	49,797
	\$194,399	\$134,095
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities on long-term debt	\$777	\$477
Short-term borrowings	10,542	112
Accounts payable-trade and other	48,659	27,736
Accrued payroll and employee benefits	4,956	3,308
Current deferred tax liabilities	3,942	3,942
Other accrued liabilities	5,489	1,892
Total Current Liabilities	74,365	37,467
LONG-TERM BORROWINGS	32,062	14,000
OTHER LONG-TERM DEBT	3,804	3,395
DEFERRED TAX LIABILITIES	2,898	2,898
OTHER LONG-TERM LIABILITIES	2,068	2,592
STOCKHOLDERS' EQUITY:		
Class A Common stock	102	102
Paid-in Capital	35,510	35,131
Retained Earnings	44,453	39,879
Treasury Stock	(148)	(654)
Accumulated Other Comprehensive Loss	(715)	(715)
Total Stockholders' Equity	79,202	73,743
	\$194,399	\$134,095