

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 24, 2008 (July 24, 2008)

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 24, 2008, L.B. Foster Company (the "Company") issued a press release announcing the Company's results of operations for the second quarter ended June 30, 2008. 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

(d) Exhibits

99.1 Press Release issued by L.B. Foster Company, July 24, 2008.

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 24, 2008

/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 24, 2008, of L. B. Foster Company.

L.B. Foster Company

415 Holiday Drive, Pittsburgh, PA 15220

Contact: David J. Russo

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FOR IMMEDIATE RELEASE

L.B. FOSTER REPORTS RECORD SECOND QUARTER

OPERATING RESULTS

PITTSBURGH, PA, July 24, 2008 - L.B. Foster Company (NASDAQ: FSTR), a leading manufacturer, fabricator, and distributor of products and services for rail, construction, energy and utility markets, today reported that its second quarter earnings per diluted share from continuing operations were \$0.69 compared to \$0.63 in last year's second quarter, a 9.5% increase. This represents record second quarter earnings for the Company and marks the fourteenth consecutive quarter the Company has recorded an earnings increase over the prior year quarter.

2008 Second Quarter Results

In the second quarter of 2008, L.B. Foster had income from continuing operations of \$7.7 million or \$0.69 per diluted share compared to income from continuing operations of \$6.8 million or \$0.63 per diluted share in the second quarter of 2007.

Net sales decreased 12.6% to \$129.8 million compared to \$148.5 million in the prior year quarter. Gross profit margin was 16.9%, up 255 basis points from the prior year quarter primarily as a result of increased billing margins and decreased unfavorable manufacturing variances partially offset by increased LIFO expense. Second quarter LIFO expense was approximately \$2.5 million compared to \$0.7 million in the prior year.

Selling and administrative expenses increased \$0.2 million or 1.7% over last year's quarter due primarily to increased employee related costs including salaries and benefits. Second quarter interest expense was \$0.5 million, a 59% decrease from the prior year quarter due principally to decreased average borrowings as the Company generated strong positive cash flows in the second half of 2007. The Company also generated \$0.6 million of investment income in the second quarter of 2008. The Company's income tax rate from continuing operations was 37.0% in the second quarter compared to 35.5% in the prior year quarter.

"Despite sales declining by 12.6%, we are pleased with many facets of our second quarter results including more than a 250 basis point increase in gross profit margins; a very strong bookings quarter totaling \$164.1 million; backlog has improved dramatically from the first quarter and is now at \$192.2 million, up 7% over last year; improved plant and yard efficiencies and positive cash flow from operations even in the face of rapidly escalating commodity costs," commented Stan Hasselbusch, President and Chief Executive Officer. "We believe that the improved margin trend and our stronger backlog will have a favorable impact on our second half operating results." Mr. Hasselbusch also announced, "L.B. Foster purchased 413,362 shares of its stock in the open market during the second quarter for approximately \$13.8 million pursuant to a recently announced share repurchase program authorized by our Board of Directors."

2008 Half Year Results

For the six months ended June 30, 2008, L.B. Foster reported income from continuing operations of \$14.0 million or \$1.26 per diluted share. These results include a first quarter pretax gain related to additional proceeds from a favorable working capital adjustment pursuant to the prior year sale of the Company's investment in the DM&E Railroad of \$2.0 million, as well as a pretax gain on the sale and lease-back of our threaded products facility in Houston, Texas. Excluding these gains, earnings per diluted share from continuing operations were \$1.06 compared to \$0.91 last year.

Net sales for the first half of 2008 decreased 13.9% to \$223.3 million compared to \$259.2 million in 2007. Gross profit margin was 16.8%, up 310 basis points from 2007, primarily as a result of increased billing margins and decreased unfavorable manufacturing variances.

Selling and administrative expenses increased \$1.1 million or 6% over the prior year due primarily to employee related costs including salaries and benefits. Interest expense decreased \$1.4 million from the prior year due principally to decreased average borrowings. The Company's income tax rate from continuing operations was 36.6% compared to 35.6% in the prior year.

Cash provided from operations was approximately \$6.3 million for the second quarter of 2008 compared to a \$12.4 million in the second quarter of 2007. Capital expenditures were \$1.0 million in 2008 compared to \$1.3 million during the prior year quarter. Year-to-date capital expenditures were \$3.1 million, \$0.4 million higher than 2007. "We continue to expect to generate positive cash flows from operations in excess of our capital expenditures in 2008," noted Mr. Hasselbusch as he concluded, "We continue to undertake initiatives across the organization to improve our core businesses while we target synergistic and accretive acquisitions."

L.B. Foster Company will conduct a conference call and webcast to discuss its second quarter 2008 operating results and general market activity and business conditions on Thursday, July 24, 2008 at 1:00pm 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, 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, sudden and/or sharp declines in steel prices, adequate funding for infrastructure projects, production delays or problems encountered at our manufacturing facilities, and the availability of existing and new piling and rail products. There are also no assurances that the Canadian Pacific Railway will proceed with the Powder River Basin project and trigger any contingent payments to L.B. Foster. 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,	
	2008	2007	2008	2007
	(Unaudited)		(Unaudited)	
NET SALES	\$129,833	\$148,547	\$223,274	\$259,213
COSTS AND EXPENSES:				
Cost of goods sold	107,948	127,309	185,768	223,785
Selling and administrative expenses	9,959	9,790	19,325	18,191
Interest expense	488	1,183	1,043	2,405
Gain on sale of DM&E investment	-	-	(2,022)	-
Gain on sale of property	-	-	(1,486)	-
Interest income	(586)	(4)	(1,401)	(5)
Other (income) / expense	(135)	(342)	16	(599)
	117,674	137,936	201,243	243,777
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	12,159	10,611	22,031	15,436
INCOME TAXES	4,502	3,762	8,068	5,495
INCOME FROM CONTINUING OPERATIONS, NET OF TAX	7,657	6,849	13,963	9,941
DISCONTINUED OPERATIONS:				
LOSS FROM DISCONTINUED OPERATIONS	-	(31)	-	(19)
INCOME TAX BENEFIT	-	(12)	-	(8)
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	-	(19)	-	(11)
NET INCOME	\$7,657	\$6,830	\$13,963	\$9,930
BASIC EARNINGS PER COMMON SHARE:				
FROM CONTINUING OPERATIONS	\$0.70	\$0.65	\$1.28	\$0.94
FROM DISCONTINUED OPERATIONS	0.00	(0.00)	0.00	(0.00)
BASIC EARNINGS PER COMMON SHARE	\$0.70	\$0.64	\$1.28	\$0.94
DILUTED EARNINGS PER COMMON SHARE:				
FROM CONTINUING OPERATIONS	\$0.69	\$0.63	\$1.26	\$0.91
FROM DISCONTINUED OPERATIONS	0.00	(0.00)	0.00	(0.00)
DILUTED EARNINGS PER COMMON SHARE	\$0.69	\$0.63	\$1.26	\$0.91
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	10,900	10,593	10,939	10,574
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - DILUTED	11,040	10,926	11,097	10,912

L. B. Foster Company and Subsidiaries
Consolidated Balance Sheet
(In thousands)

	June 30, 2008	December 31, 2007
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ASSETS	(Unaudited)	
CURRENT ASSETS:		

Cash and cash items	\$107,648	\$121,097
Accounts and notes receivable:		
Trade	73,402	52,856
Other	463	754
Inventories	105,449	102,447
Current deferred tax assets	3,575	3,615
Other current assets	1,509	1,131
Property held for resale	-	2,497
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Total Current Assets	292,046	284,397
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OTHER ASSETS:		

Property, plant & equipment-net	42,874	44,136
Goodwill	350	350
Other intangibles - net	44	50
Deferred tax assets	1,426	1,411
Other non-current assets	398	428
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Total Other Assets	45,092	46,375
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	\$337,138	\$330,772
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		

Current maturities on long-term debt	\$5,909	\$6,191
Accounts payable-trade and other	65,793	53,489
Accrued payroll and employee benefits	5,584	11,490
Current deferred tax liabilities	3,541	3,541
Other accrued liabilities	7,819	8,841
Current liabilities of discontinued operations	200	200
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Total Current Liabilities	88,846	83,752
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LONG-TERM DEBT, TERM LOAN	14,762	16,190
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OTHER LONG-TERM DEBT	10,241	11,866
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DEFERRED TAX LIABILITIES	1,638	1,638
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OTHER LONG-TERM LIABILITIES	5,283	3,500
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STOCKHOLDERS' EQUITY:		

Class A Common stock	110	109
Paid-in capital	47,484	45,147
Retained earnings	183,277	169,314
Treasury stock	(13,831)	-
Accumulated other comprehensive loss	(672)	(744)
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Total Stockholders' Equity	216,368	213,826
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	\$337,138	\$330,772
	=====	=====