UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-Q
Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarter Ended March 31, 1999

Commission File Number 0-10436

L. B. Foster Company
(Exact name of Registrant as specified in its charter)

Pennsylvania	25-13247733
(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)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 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 X No

Indicate the number of shares of each of the registrant's classes of common stock as of the latest practicable date.

Class	Outstanding at April 30, 1999
Common Stock, Par Value $.01	9,846,821 Shares

L.B. FOSTER COMPANY AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

L.B. FOSTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands)

	March 31, 1999	December 31, 1998
ASSETS	(unaudited)	
Current Assets:		
Cash and cash equivalents	$ 1,190	$ 874
Accounts and notes receivable:		
Trade	46,079	46,510
Other	730	801
	46,809	47,311
Inventories	38,985	36,418
Other current assets	788	614
Property held for resale	2,812	
Total Current Assets	90,584	85,217
Property, Plant & Equipment - at cost	41,141	43,573
Less Accumulated Depreciation	(23,296)	(23,128)
	17,845	20,445
Property Held for Resale	615	615
Other Assets:		
Goodwill and intangibles	5,512	5,666
Investments	7,693	1,693
Other assets	5,622	5,798
Total Other Assets	18,827	13,157
TOTAL ASSETS	$ 127,871	$ 119,434
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 983	$ 1,098
Short-term borrowings	13,850	2,275
Accounts payable	18,945	19,667
Accrued payroll and employee benefits	2,536	4,498
Current deferred tax liabilities	334	334
Other accrued liabilities	1,639	2,454
Total Current Liabilities	38,287	30,326
Long-Term Borrowings	10,000	10,000
Other Long-Term Debt	3,856	3,829
Deferred Tax Liabilities	678	678
Other Long-Term Liabilities	1,236	1,107
Stockholders' Equity:		
Common stock	102	102
Paid-in capital	35,403	35,431
Retained earnings	40,462	40,002
Treasury stock	(2,164)	(2,046)
Accumulated other comprehensive income	11	5
Total Stockholders' Equity	73,814	73,494
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 127,871	$ 119,434

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	1999	1998
	(unaudited)	
Net Sales	$ 53,783	$ 49,341
Cost of Goods Sold	46,939	42,247
Gross Profit	6,844	7,094
Selling and Administrative Expenses	6,040	5,656
Interest Expense	398	590
Other Income	(360)	(333)
	6,078	5,913
Income Before Income Taxes	766	1,181
Income Tax Expense	306	475
Net Income	$ 460	$ 706
Basic Earnings Per Share	$ 0.05	$ 0.07
Diluted Earnings Per Share	$ 0.05	$ 0.07
Cash Dividend per Common Share	$ -	$ -

See Notes to Condensed Consolidated Financial Statements.

L.B. Foster Company and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In Thousands)

	Three Months Ended March 31,	
	1999	1998
	(unaudited)	
Cash Flows from Operating Activities:		
Net income	$ 460	$ 706
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Deferred income taxes		141
Depreciation and amortization	725	768
Loss (gain) on sale of property, plant and equipment	19	(15)
Change in operating assets and liabilities:		
Accounts receivable	502	1,576
Inventories	(2,567)	1,879
Property held for resale		205
Other current assets	(174)	(37)
Other non-current assets	164	(233)
Accounts payable - trade	(722)	2,405
Accrued payroll and employee benefits	(1,962)	(361)
Other current liabilities	(815)	436
Other liabilities	129	(263)
Net Cash (Used) Provided by Operating Activities	(4,241)	7,207
Cash Flows from Investing Activities:		
Proceeds from sale of property, plant and equipment	4	320
Capital expenditures on property, plant and equipment	(544)	(459)
Purchase of DM&E stock	(6,000)	
Net Cash Used by Investing Activities	(6,540)	(139)
Cash Flows from Financing Activities:		
Proceeds (repayments) from issuance of revolving credit agreement borrowings	11,575	(7,611)
Proceeds from industrial revenue bond		2,045
Exercise of stock options and stock awards	274	28
Treasury stock acquisitions	(421)	(499)
Repayments of long-term debt	(334)	(346)
Net Cash Provided (Used) by Financing Activities	11,094	(6,383)
Effect of exchange rate on cash	3	
Net Increase in Cash and Cash Equivalents	316	685
Cash and Cash Equivalents at Beginning of Period	874	1,156
Cash and Cash Equivalents at End of Period	$ 1,190	$ 1,841
Supplemental Disclosures of Cash Flow Information:		
Interest Paid	$ 261	$ 599
Income Taxes Paid	$ 544	$ 29

During 1999, the Company financed the purchase of certain capital expenditures totaling $246,000 through the issuance of capital leases. During the first quarter of 1998, no capital expenditures were financed through capital leases.

See Notes to Condensed Consolidated Financial Statements.

L. B. FOSTER COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all estimates and adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included, however, actual results could differ from those estimates. The results of operations for these interim periods are not necessarily indicative of the results that may be expected for the year ended December 31, 1999. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1998.

2. ACCOUNTING PRINCIPLES

Financial Accounting Standards Board Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" was issued in June 1998. This statement establishes accounting and reporting standards for derivative financial instruments and hedging activities. This statement will be adopted by the Company in 2000 and is not expected to have a material effect on the consolidated financial statements.

3. ACCOUNTS RECEIVABLE

Credit is extended on an evaluation of the customer's financial condition and, generally, collateral is not required. Credit terms are consistent with industry standards and practices. Trade accounts receivable at March 31, 1999 and December 31, 1998 have been reduced by an allowance for doubtful accounts of $(1,421,000) and $(1,438,000), respectively. Bad debt expense was $(14,000) and $69,000 for the three month periods ended March 31, 1999 and 1998, respectively.

4. INVENTORIES

Inventories of the Company at March 31, 1999 and December 31, 1998 are summarized as follows in thousands:

	March 31, 1999	December 31, 1998
Finished goods	$ 33,324	$ 26,877
Work-in-process	4,518	7,779
Raw materials	3,927	4,546
Total inventories at current costs:	41,769	39,202
(Less):		
Current costs over LIFO stated values	(2,184)	(2,184)
Reserve for decline in market value of inventories	(600)	(600)
	$ 38,985	$ 36,418

Inventories of the Company are generally valued at the lower of last-in, first-out (LIFO) cost or market. Other inventories of the Company are valued at average cost or market, whichever is lower. An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations must necessarily be based on management's estimates of expected year-end levels and costs.

5. BORROWINGS

Effective August 1998, the Company renegotiated its $45,000,000 revolving credit agreement. The interest rate is, at the Company's option, based on the prime rate, the domestic certificate of deposit rate (CD rate) or the Euro-bank rate. The interest rates are adjusted quarterly based on the ratio of total indebtedness to Earnings Before Income Taxes, Depreciation and Amortization (EBITDA) as defined in the agreement. The ranges are prime to prime plus 0.125%, the CD rate plus 0.35% to the CD rate plus 1.375%, and the Euro-bank rate plus 0.35% to the Euro-bank rate plus 1.375%. Borrowings under the agreement, which expires August 13, 2002, are secured by eligible accounts receivable and inventory.

The agreement includes financial covenants requiring a minimum net worth, and minimum levels for the fixed charge coverage ratio and the consolidated total indebtedness to EBITDA ratio. The agreement also restricts investments, capital expenditures, indebtedness and sales of certain assets.

6. EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per common share:

(in thousands, except earnings per share)	Three Months Ended March 31, 1999	Three Months Ended March 31, 1998
Numerator:		
Numerator for basic and diluted earnings per common share - net income available to common stockholders	$ 460	$ 706
Denominator:		
Weighted average shares	9,787	10,061
Denominator for basic earnings per common share	9,787	10,061
Effect of dilutive securities:		
Contingent issuable shares pursuant to the Company's 1997 and 1998 Incentive Compensation Plans	29	6
Employee stock options	235	166
Dilutive potential common shares	264	172
Denominator for diluted earnings per common share - adjusted weighted average shares and assumed conversions	10,051	10,233
Basic earnings per common share	$ 0.05	$ 0.07
Diluted earnings per common share	$ 0.05	$ 0.07

7. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is subject to laws and regulations relating to the protection of the environment and the Company's efforts to comply with environmental regulations may have an adverse effect on the Company's future earnings. In the opinion of management, compliance with the present environmental protection laws will not have a material adverse effect on the financial condition, competitive position, or capital expenditures of the Company.

The Company is subject to legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, the amounts of ultimate liability with respect to these actions will not materially effect the financial position of the Company.

At March 31, 1999, the Company had outstanding letters of credit of approximately $2,635,000.

8. BUSINESS SEGMENTS

The Company is organized and evaluated by product group, which is the basis for identifying reportable segments. The Company is engaged in the manufacture, fabrication and distribution of rail, construction, tubular products and portable mass spectrometers (Monitor Group). The following tables illustrates revenues and profits/(losses) of the Company by segment:

	Three Months Ended March 31, 1999	
(in thousands)	Net Sales	Segment Profit/(Loss)
Rail products	$31,417	$211
Construction products	15,296	78
Tubular products	6,864	434
Monitor Group		(432)
Total	$53,577	$291

	Three Months Ended March 31, 1998	
(in thousands)	Net Sales	Segment Profit/(Loss)
Rail products	$27,472	$879
Construction products	11,967	497
Tubular products	9,723	(218)
Monitor Group		(340)
Total	$49,162	$818

The following table provides a reconciliation of reportable net profit/(loss) to the Company's consolidated total:

(in thousands)	Three Months Ended March 31, 1999	1998
Net Profit/(Loss)		
Total for reportable segments	$291	$818
Other income	360	333
Other unallocated amounts	115	30
Income before income taxes	$766	$1,181

There has been no change in the measurement of segment profit/(loss) from December 31, 1998. There has been no significant change in segment assets from December 31, 1998.

9. Other Subsequent Events

On April 14, 1999, the Company announced the signing of a letter of intent to purchase all of the capital stock of CXT Corporation (CXT). CXT is a privately held manufacturer of engineered prestressed and precast concrete products primarily used in the railroad and transit industries. The addition of CXT is viewed by management as an opportunity to vertically integrate the Company's transit products segment and to increase the Company's product offerings to Class I railroads. The purchase of CXT is subject to, among other contingencies, the Company's Board of Director's approval and a CXT shareholder vote. The deal is expected to be consummated within 90 days.

Management's Discussion and Analysis of Financial Condition and Results of Operations

	Three Months Ended March 31,	
	1999	1998
	(Dollars in thousands)	
Net Sales:		
Rail Products	$ 31,417	$ 27,472
Construction Products	15,296	11,967
Tubular Products	6,864	9,723
Monitor Group		
Other	206	179
Total Net Sales	53,783	49,341
Gross Profit:		
Rail Products	3,639	4,038
Construction Products	2,593	2,507
Tubular Products	1,024	882
Monitor Group	(314)	(215)
Other	(98)	(118)
Total Gross Profit	6,844	7,094
Expenses:		
Selling and Administrative Expenses	6,040	5,656
Interest Expense	398	590
Other (Income) Expense	(360)	(333)
Total Expenses	6,078	5,913
Income Before Income Taxes	766	1,181
Income Tax Expense	306	475
Net Income	$ 460	$ 706
Gross Profit %:		
Rail Products	12%	15%
Construction Products	17%	21%
Tubular Products	15%	9%
Monitor Group	N/A	N/A
Other	N/A	N/A
Total Gross Profit %	13%	14%

Note: Prior year segment information has been restated to be consistent with FASB No. 131, "Disclosures about Segments of an Enterprise and Related Information".

First Quarter 1999 Results of Operations

Net income for the first quarter of 1999 was $0.5 million or $0.05 per share on net sales of $53.8 million. This compares to a 1998 first quarter net income of $0.7 million or $0.07 per share on net sales of $49.3 million.

Rail products' 1999 first quarter net sales were $31.4 million or an increase of 14% over the same period last year. This increase was due primarily to increased shipments of new rail products, which more than offset the declines in used rail resulting from the deferral of rail change-out projects by the major railroads. Construction products' net sales increased 28% from the year earlier quarter as a result of sales generated by the Foster Geotechnical Division acquired in August of 1998 and increased sales of H-bearing pile from Chaparral's Texas plant. These increases exceeded the decreases in the Company's sheet piling sales and rentals which continue to suffer from lack of supply. Tubular products' sales decreased 29% from the same quarter of 1998 due to the June 1998 sale of the Company's Fosterweld Division. Changes in net sales are primarily the result of changes in volume rather than changes in prices.

The gross margin percentage for the total Company was 13% in the first quarter of 1999 and 14% in the 1998 first quarter. Rail products' gross margin percentage in the first quarter of 1999 was 12% versus 15% in the year earlier quarter. This decline is the result of a change in the mix of rail products sold. The gross margin percentage for construction products declined 4% from the year earlier quarter primarily due to increased direct sales of lower margin H-bearing piling. A strike at the Company's Bedford, Pennsylvania plant and other external delays which have been resolved, also contributed to the decline in gross margin percentage. Tubular products' gross margin percentage in the first quarter of 1999 increased from the same period last year, primarily due to the halting of production of lower margin coated pipe at the Company's Newport facility and more efficient operations at the Langfield, Texas threading facility.

The Monitor Group had costs and expenses totaling $0.4 million in the first quarter of 1999 compared to $0.3 million in the first quarter of 1998. No revenues were recorded in the first quarter of 1999 or 1998.

Selling and administrative expenses increased 7% in the 1999 first quarter in comparison to the same period last year principally due to expenses associated with the operation of the Company's Geotechnical Division. Interest expense decreased 33% over the year earlier quarter due to a reduction in outstanding borrowings principally resulting from the receipt of Fosterweld sale proceeds. Other income included approximately $0.3 million of accrued interest and dividends on the DM&E notes and stock. The provision for income taxes was recorded at 40% in the first quarters of 1999 and 1998.

Liquidity and Capital Resources

The Company generates internal cash flow from the sale of inventory and the collection of accounts receivable. During the first three months of 1999 the average turnover rate for accounts receivable was slightly lower than during the same period last year due to slower collections of certain relay rail and construction products' sales. The average turnover rate for inventory was higher in 1999 than in 1998, primarily in coated pipe and transit products. Working capital at March 31, 1999 was $52.3 million compared to $54.9 million at December 31, 1998.

Year to date, the Company had total capital expenditures of $0.5 million. In addition, the Company completed its 500,000 share buy-back of its' common stock in January 1999. The cost of this program which commenced in 1997, was $2.8 million. During the first quarter of 1999, the Company announced another program to purchase up to an additional 1,000,000 shares. As of March 31, 1999, no shares had been purchased under this program. Capital expenditures in 1999, excluding acquisitions, are expected to be approximately $5.5 million. This includes the planned creation of a $2.8 million piling storage yard near the Chaparral plant currently being built in Richmond, Virginia. Capital expenditures in 1999 are anticipated to be funded by cash flows from operations.

Total revolving credit agreement borrowings at March 31, 1999 were $23.9 million, or an increase of $11.6 million from the end of the prior year. At March 31, 1999 the Company had $18.5 million in unused borrowing commitment. Outstanding letters of credit at March 31, 1999 were $2.6 million. Management believes its internal and external sources of funds are adequate to meet anticipated needs.

On August 13, 1998 the Company amended its $45,000,000 senior secured revolving credit agreement. The amended agreement replaces the November, 1995 revolving credit agreement that had a maturity date of July, 1999. This amended agreement expires August 13, 2002 and can be extended under the mutual consent of the Company and its lenders.

The agreement includes financial covenants requiring a minimum net worth, a fixed charge coverage ratio, and a maximum ratio of total indebtedness to EBITDA.

In connection with the previously announced acquisition of CXT Corporation and the investment associated with the Chaparral piling sales buildup, the Company plans to increase the credit agreement to $70.0 million to finance the acquisition and associated working capital.

Dakota, Minnesota & Eastern Railroad

The Company maintains a significant investment in the Dakota, Minnesota & Eastern Railroad Corporation (DM&E), a privately held, regional railroad which operates over 1,100 miles of track in five states.

At December 31, 1998, the Company's investment in the stock was recorded in the Company's accounts at its historical cost of $1.7 million, comprised of $0.2 million of common stock and $1.5 million of the DM&E's Series B Preferred Stock and warrants. On January 13, 1999, the Company increased its investment in the DM&E by acquiring $6.0 million of DM&E Series C Preferred Stock and warrants. On a fully diluted basis, the Company owns approximately 16% of the DM&E's common stock. Although the market value of the DM&E stock is not readily determinable, management believes that this investment, regardless of the DM&E's Powder River Basin project, is worth significantly more than its historical cost.

The DM&E announced in June 1997 that it plans to build an extension from the DM&E's existing line into the low sulfur coal market of the Powder River Basin in Wyoming and to rebuild approximately 600 miles of existing track (the "Project"). The DM&E has also announced that the estimated cost of this project is $1.4 billion. The Project is subject to approval by the Surface Transportation Board (STB). Morgan Stanley & Co., Inc., has been retained by the DM&E to assist in identifying strategic partners or potential acquirers of all or a portion of the equity of the DM&E.

In December 1998, the STB made a finding that the DM&E had satisfied the transportation aspects of applicable regulations. The STB still must address the extent and nature of the project's environmental impact and whether such impact can be adequately mitigated. New construction on this project may not begin until the STB reaches a final decision.

The DM&E has stated that it could repay project debt and cover its operating costs if it captures a 5% market share in the Powder River Basin. If the Project proves to be viable, management believes that the value of the Company's investment in the DM&E could increase dramatically.

Other Matters

In May 1998, the Company acquired the assets of the Monitor Group for $2.5 million, of which $2.2 million was allocated to intangible assets. In addition, the Company has funded operating and development expenses totaling $2.3 million at March 31, 1999 including $0.4 million for amortization of intangibles. Results to date have been well below management expectations. A comprehensive review of Monitor Group's progress is currently underway. Management believes that the ultimate outcome of the review will not materially affect the financial position or cash flows of the Company although the outcome could be material to the reported results of operations for the period in which it occurs.

In June of 1998, the Company agreed, subject to certain contingencies, to sell certain Houston, Texas property for approximately $3.8 million. The Company accrued $0.9 million for the loss on the projected sale. Although the original sales agreement has terminated, negotiations are continuing for sale of a portion of this 127 acre site. The value and timing of any potential sale is uncertain.

In September of 1998, the Company suspended production at its Newport, Kentucky pipe coating facility due to unfavorable market conditions. After evaluating the long term viability of this operation, management intends to dispose of the assets and has reclassified the machinery and equipment as assets held for resale. Management anticipates that the proceeds from such a sale will be at least $1.5 million, the net book value of such equipment.

On April 14, 1999, the Company announced the signing of a letter of intent to purchase all of the capital stock of CXT Corporation (CXT). CXT is a privately held manufacturer of engineered prestressed and precast concrete products primarily used in the railroad and transit industries. The addition of CXT is viewed by management as an opportunity to vertically integrate the Company's transit products segment and to increase the Company's product offerings to Class I railroads. The purchase of CXT is subject to, among other contingencies, the Company's Board of Director's approval and a CXT shareholder vote. The deal is expected to be consummated within 90 days.

In April 1999, the Company signed a letter of intent to sell its Mining Division, which is principally comprised of the Company's facilities and inventory located at Pomeroy, Ohio and St. Marys, West Virginia. The sale is subject to numerous contingencies.

Management continues to evaluate the overall performance of certain operations. A decision to terminate an existing operation could have a material adverse effect on near-term earnings but would not be expected to have a material adverse effect on the financial condition of the Company.

Year 2000 Impact on Computer Systems

Because many existing computer programs have been programmed to use a two digit number to represent the year (e.g., "98" for "1998"), the Company has analyzed its computer software systems to ensure that they are capable of correctly identifying the year "2000" and beyond in all computer transactions. The Company understands the seriousness of this issue and its Board of Directors has requested an update of the Company's year 2000 compliance at each Board Meeting.

The Company installed integrated accounting and distribution software licensed from a national vendor in 1992 and has periodically installed updated releases of the software to take advantage of technological advances and improvements over prior releases in the ordinary course of business. The current releases of this vendor's software are year 2000 compliant. The Company installed the year 2000 compliant release including modifications unrelated to the year 2000 issue to suit the Company's business in May 1998. The Company completed the testing of these modifications and placed these systems in production in January 1999. Management does not anticipate any adverse impact in becoming year 2000 compliant. The costs associated with the installation of the year 2000 compliant release are considered by Management to be in the ordinary course of business and are not material to its financial results.

In addition, the Company has conducted a review of its production equipment and has determined that it is year 2000 compliant. The Company has also surveyed key vendors and suppliers to determine the extent of their year 2000 compliance readiness and planned action to become year 2000 compliant.

The Company has minimal direct or indirect computer data transfers with outside customers, vendors, and suppliers other than major banks, whose year 2000 compliance efforts are well underway. Based on this fact as well as internal assessments, and formal and informal communications with customers, vendors, and suppliers, the Company presently believes that the year 2000 compliance issue should not have an adverse impact on the Company's financial position, results of operations or cash flow. A failure of third party vendors or suppliers to be year 2000 compliant could affect these beliefs and is not quantifiable.

The most reasonably likely worse case scenario of failure by the Company or its suppliers or customers to resolve year 2000 problems would be a temporary inability on the part of the Company to timely process orders and to deliver finished products to customers. Delays in meeting customers' orders would affect the timing of billings to and payments received from customers in respect of orders and could result in other liabilities. Customers' year 2000 problems could also delay the timing of payments to the Company for orders.

Outlook

The Company has not had a domestic sheet piling supplier since March 1997. Revenues from piling products have declined and will continue to be at reduced levels as the Company's remaining piling inventory is liquidated. The Company, however, will become Chaparral Steel's exclusive North American distributor of steel sheet piling and "H" bearing pile when Chaparral's new Richmond, Virginia

facility begins operations. This mill will produce structural shape beams, sheet piling, "H" bearing pile sections and other structural shapes and beams. It is anticipated that this new facility will commence operations in May 1999, with piling production anticipated during the second half of 1999.

The rail segment of the business depends on one source for fulfilling certain trackwork contracts. As of March 31, the Company has provided $9.5 million of working capital to this supplier in the form of loans and progress payments. If, for any reason, this supplier is unable to perform, the Company could experience a short-term negative effect on earnings.

A substantial portion of the Company's operations is heavily dependent on governmental funding of infrastructure projects. Significant changes in the level of government funding of these projects could have a favorable or unfavorable impact on the operating results of the Company. Additionally, governmental actions concerning taxation, tariffs, the environment or other matters could impact the operating results of the Company. The Company's operating results may also be affected by adverse weather conditions.

Although backlog is not necessarily indicative of future operating results, total Company backlog at March 31, 1999, was approximately $112.1 million. The following table provides the backlog by business segment:

(Dollars in thousands)	Backlog		
	March 31,		December 31,
	1999	1998	1998
Rail Products	$ 64,788	$ 55,481	$ 62,481
Construction Products	41,386	26,270	42,542
Tubular Products			
excluding Fosterweld	5,945	10,063	3,541
Fosterweld		9,619	
Monitor Group			
Total	$112,118	$101,433	$108,564

Market Risk and Risk Management Policies

The Company is not subject to significant exposure to change in foreign currency exchange rates. The Company does not hedge the cash flows of operations of its foreign subsidiary. The Company manages its exposures to changes in foreign currency exchange rates on firm sales commitments by entering into foreign currency forward contracts. The Company's risk management objective is to reduce its exposure to the effects of changes in exchange rates on sales revenue over the duration of the transaction.

As of March 31, 1999, the Company had outstanding foreign currency forward contracts to purchase $0.6 million Canadian for $0.4 million US.

The Company is also exposed to changes in interest rates primarily from its long-term debt arrangements. The Company uses interest rate derivative instruments to manage exposure to interest rate changes.

The Company has entered into an interest rate swap agreement as the fixed rate payor to reduce the impact of changes in interest rates on a portion of its revolving borrowings. At March 31, 1999 these swap agreements had a notional value of $18,000,000 consisting of $8,000,000 at 5.48%, expiring in January 2001, and $10,000,000 at 6.14%, expiring in June 1999. The swap agreements' floating rates are based on LIBOR. Any amounts paid or received under the agreements are recognized as adjustments to interest expense. Neither the fair market value of the agreements nor the interest expense adjustments associated with the agreements has been material.

Forward-Looking Statements

Statements relating to the potential value or viability of the DM&E or the Project, or management's belief as to such matters, are forward-looking statements and are subject to numerous contingencies and risk factors. The Company has based its assessment on information provided by the DM&E and has not independently verified such information. In addition to matters mentioned above, factors which can adversely affect the value of the DM&E, its ability to complete the Project or the viability of the Project include the following: labor disputes, any inability to obtain necessary environmental and government approvals for the Project in a timely fashion, an inability to obtain financing for the Project, competitor's response to the Project, market demand for coal or electricity and changes in environmental laws and regulations.

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 made from time to time in news releases, reports, proxy statements, registration statements and other written communications (including the preceding sections of this Management's Discussion and Analysis), as well as oral statements made from time to time by representatives of the Company. Except for historical information, matters discussed in such oral and written communications are forward-looking statements that involve risks and uncertainties, including but not limited to general business conditions, the availability of material from major suppliers, the impact of competition, the seasonality of the Company's business, taxes, inflation and governmental regulations.

PART II OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

See Note 7, "Commitments and Contingent Liabilities", to the Condensed Consolidated Financial Statements.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

a) EXHIBITS

Unless marked by an asterisk, all exhibits are incorporated by reference:

3.1 Restated Certificate of Incorporation as amended to date, filed as Appendix B to the Company's April 17, 1998 Proxy Statement.

3.2 Bylaws of the Registrant, as amended to date, filed as Exhibit 3B to Form 8-K on May 21, 1997.

4.0 Rights Agreement, dated as of May 15, 1997, between L.B. Foster Company and American Stock Transfer & Trust Company, including the form of Rights Certificate and the Summary of Rights attached thereto, filed as Exhibit 4A to Form 8-A dated May 23, 1997.

4.0.1 Amended Rights Agreement dated as of May 14, 1998, between L. B. Foster Company and American Stock Transfer & Trust Company, filed as Exhibit 4.0.1 to Form 10-Q for the quarter ended June 30, 1998.

4.1 Second Amended and Restated Loan Agreement by and among the Registrant and Mellon Bank, N.A., PNC Bank, National Association, and First Union National Bank dated as of August 13, 1998 and filed as Exhibit 4.1 to Form 10-Q for the quarter ended September 31, 1998.

10.15 Lease between the Registrant and Amax, Inc. for manufacturing facility at Parkersburg, West Virginia, dated as of October 19, 1978, filed as Exhibit 10.15 to Registration Statement No. 2-72051.

10.16 Lease between Registrant and Greentree Building Associates for Headquarters office, dated as of June 9, 1986, as amended to date, filed as Exhibit 10.16 to Form 10-K for the year ended December 31, 1988.

10.16.1 Amendment dated June 19, 1990 to lease between Registrant and Greentree Building Associates, filed as Exhibit 10.16.1 to Form 10-Q for the quarter ended June 30, 1990.

10.16.2 Amendment dated May 29, 1997 to lease between Registrant and Greentree Building Associates, filed as Exhibit 10.16.2 to Form 10-Q for the quarter ended June 30, 1997.

10.19 Lease between the Registrant and American Cast Iron Pipe Company for Pipe-Coating facility in Birmingham, Alabama dated December 11, 1991, filed as Exhibit 10.19 to Form 10-K for the year ended December 31, 1991.

10.19.1 Amendment to Lease between the Registrant and American Cast Iron Pipe Company for Pipe-Coating facility in Birmingham, Alabama dated April 15, 1997, filed as Exhibit 10.19.1 to Form 10-Q for the quarter ended March 31, 1997.

10.20 Asset Purchase Agreement, dated June 5, 1998, by and among the Registrant and Northwest Pipe Company, filed as Exhibit 10.0 to Form 8-K on June 18, 1998.

10.33.2 Amended and Restated 1985 Long-Term Incentive Plan, as amended and restated February 26, 1997, filed as Exhibit 10.33.2 to Form 10-Q for the quarter ended June 30, 1997. **

10.34 Amended and Restated 1998 Long-Term Incentive Plan for Officers and Directors, as amended and restated February 24, 1999 and filed as Exhibit 10.34 to Form 10-K for the year ended December 31, 1998. **

10.45 Medical Reimbursement Plan, filed as Exhibit 10.45 to Form 10-K for the year ended December 31, 1992. **

10.46 Leased Vehicle Plan, as amended to date, filed as Exhibit 10.46 to Form 10-K for the year ended December 31, 1997. **

10.49 Lease agreement between Newport Steel Corporation and Registrant dated as of October 12, 1994 and filed as Exhibit 10.49 to Form 10-Q for the quarter ended September 30, 1994.

10.49.1 Amendment to lease between Registrant and Newport Steel Corporation dated March 13, 1998 and filed as Exhibit 10.49.1 to Form 10-K for the year ended December 31, 1997.

10.50 L.B. Foster Company 1999 Incentive Compensation Plan, filed as Exhibit 10.50 to Form 10-K for the year ended December 31, 1998. **

10.51 Supplemental Executive Retirement Plan, filed as Exhibit 10.51 to Form 10-K for the year ended December 31, 1994. **

19 Exhibits marked with an asterisk are filed herewith.

* 27 Financial Data Schedule

** Identifies management contract or compensatory plan or arrangement required to be filed as an Exhibit.

b) Reports on Form 8-K

No reports on Form 8-K were filed by the Registrant during the three month period ended March 31, 1999.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

L.B. FOSTER COMPANY
(Registrant)

Date: May 14, 1999

By /s/ Roger F. Nejes

Roger F. Nejes
Sr. Vice President-
Finance and Administration
& Chief Financial Officer
(Principal Financial Officer
and Duly Authorized Officer
of Registrant)

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3-MOS
DEC-31-1999
MAR-31-1999
1,190
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46,809
1,421
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460
0
0
0
460
0.05
0.05