SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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, 1995

Commission File Number 0-10436

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

Delaware
(State of Incorporation)

25-1324733
(I.R.S. Employer Identification No.)

415 Holiday Drive, Pittsburgh, Pennsylvania
(Address of principal executive offices)

15220
(Zip Code)

(412) 928-3400
(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 such 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 outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Class	Outstanding at May 10, 1995
Class A Common Stock, Par Value $.01	9,922,738 Shares

L. B. FOSTER COMPANY AND SUBSIDIARIES

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	March 31, 1995	December 31, 1994
ASSETS		
Current Assets:		
Cash and cash equivalents	$1,106	$1,180
Accounts and notes receivable (Note 3):		
Trade	44,117	46,257
Other	127	164
	44,244	46,421
Inventories (Note 4)	48,415	43,651
Current deferred tax assets	613	897
Other current assets	529	666
Total current assets	94,907	92,815
Property, Plant & Equipment-At Cost	55,340	55,118
Less Accumulated Depreciation	(31,976)	(31,751)
	23,364	23,367
Property Held for Resale	2,458	2,459
Deferred Tax Assets	1,428	1,428
Other Assets	2,591	2,516
TOTAL ASSETS	$124,748	$122,585
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$794	$798
Short-term borrowings (Note 5)	14,120	13,920
Accounts payable	22,644	19,775
Accrued payroll and employee benefits payable	1,918	2,524
Other current liabilities	2,750	3,279
Total current liabilities	42,226	40,296
Long-Term Debt	22,174	22,377
Other Long-Term Liabilities	1,627	1,593
Stockholders' Equity:		
Class A Common stock	102	102
Paid-in capital	35,118	35,118
Retained earnings	24,058	23,656
Treasury stock	(557)	(557)
Total stockholders' equity	58,721	58,319
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$124,748	$122,585

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,	
	1995	1994
Net Sales	$55,456	$45,045
Costs and Expenses:		
Cost of Goods Sold	49,032	40,214
Selling and Administrative Expenses	5,221	4,936
Interest Expense	580	458
Other Expense (Income)	13	(122)
	54,846	45,486
Income Before Income Taxes	610	(441)
Income Taxes (Benefit)	208	(150)
Net Income (Loss)	$402	($291)
Earnings (Loss) Per Common Share (Note 6)	$0.04	($0.03)
Average Number of Common Shares Outstanding	9,923	9,923
Cash Dividend per Common Share	0	0

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, 1995	Three Months Ended March 31, 1994
Cash Flows from Operating Activities:		
Net Income (Loss)	$402	($291)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Deferred income taxes	284	0
Depreciation and amortization	649	690
Gain on sale of property, plant and equipment	(46)	(190)
Change in Operating Assets and Liabilities:		
Accounts receivable	2,177	1,641
Inventories	(4,785)	1,440
Other current assets	137	(152)
Other non-current assets	(80)	(5)
Accounts payable-trade	2,869	(4,985)
Accrued payroll and employee benefits	(606)	10
Other current liabilities	(529)	(917)
Other liabilities	34	75
Net Cash Provided (Used) by Operating Activities	506	(2,684)
Cash Flows from Investing Activities:		
Proceeds from sale of property, plant and equipment	182	302
Capital expenditures on property, plant and equipment	(755)	(384)
Net Cash Used by Investing Activities	(573)	(82)
Cash Flows from Financing Activities:		
Proceeds from issuance of revolving credit agreement borrowings	200	3,233
Repayments of long-term debt	(207)	(182)
Net Cash (Used) Provided by Financing Activities	(7)	3,051
Net Decrease (Increase) in Cash and Cash Equivalents	(74)	285
Cash and Cash Equivalents at Beginning of Period	1,180	1,213
Cash and Cash Equivalents at End of Period	1,106	1,498
Supplemental Disclosures of Cash Flow Information:		
Interest Paid	$583	$503
Income Taxes Paid	$30	$4

During 1994, the Company financed the purchase of certain capital expenditures totaling $111,000 through the issuance of 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 adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 1995 are not necessarily indicative of the results that may be expected for the year ended December 31, 1995. 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, 1994.

2. ACCOUNTING PRINCIPLES

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". This statement is effective for fiscal years beginning after December 15, 1995, although earlier application is permitted. Management has not yet determined the impact the statement will have on the Company's 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, 1995 and December 31, 1994 have been reduced by an allowance for doubtful accounts of $1,676,000 and $1,615,000, respectively. Bad debt expense was $67,000 and $79,000 for the three month periods ended March 31, 1995 and 1994, respectively.

4. INVENTORIES

Inventories of the Company at March 31, 1995 and December 31, 1994 are summarized as follows (in thousands):

	March 31, 1995	December 31, 1994
Finished goods	$34,136	$28,495
Work-in-process	14,067	14,242
Raw materials	2,419	2,971
Total inventories at current costs:	50,622	45,708
(Less):		
Current costs over LIFO stated values	(1,607)	(1,457)
Reserve for decline in market value of inventories	(600)	(600)
	$48,415	$43,651

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. SHORT-TERM BORROWINGS

In May 1995, the Company's revolving loan agreement was amended to increase the borrowing commitment by $5,000,000 to $45,000,000. The increased borrowing commitment is effective until October 31, 1995.

6. EARNINGS PER COMMON SHARE

Earnings per common share are computed by dividing net income by the average number of Class A common shares and common stock equivalents outstanding during the periods March 31, 1995 and 1994 of approximately 9,923,000. Common stock equivalents are the net additional number of shares which would be issuable upon the exercise of the outstanding common stock options, assuming that the Company used the proceeds to purchase additional shares at market value. Common stock equivalents had no material effect on the computation of earnings per share for the periods ending March 31, 1995 and 1994.

7. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is subject to laws and regulations relating to the protection of the environment. While it is not possible to quantify with certainty the potential impact of actions regarding environmental matters, particularly any future remediation and other compliance efforts, in the opinion of management, compliance with the present environmental protection laws will not have a material adverse effect on the financial position, competitive position, or capital expenditures of the Company. However, the Company's efforts to comply with increasingly stringent environmental regulations may have an adverse effect on the Company's future earnings.

In March 1994, Livermore Amador Valley Wastewater Management Agency ("LAVWMA") notified the Company that it had supplied LAVWMA with pipe for a pipeline constructed between 1978 and 1979, and alleged that a substantial portion of the interior lining of the pipe had delaminated. On August 26, 1994, LAVWMA filed suit against the Company in Superior Court of California, Eastern District of the County of Alameda and alleged that the Company is liable under theories of negligence and strict liability for the cost of repairing or replacing the pipe and punitive damages. LAVWMA contends that the cost of repairing and/or replacing the pipeline will be between $10 million and $30 million. The Company subsequently removed the case to the United States District Court in the Northern District of California. Although no assurances can be given, the Company believes it has meritorious defenses to this action and will defend itself vigorously.

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

At March 31, 1995, the Company had outstanding letters of credit of approximately $2,248,000.

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

Results of Operations

	Three Months Ended March 31, 1995	1994
	(Dollars in thousands)	
Net Sales:		
Rail Products	$21,130	$17,414
Construction Products	19,215	13,950
Tubular Products	15,111	13,681
Total Net Sales	$55,456	$45,045
Gross Profit		
Rail Products	$ 2,751	$ 2,395
Construction Products	2,125	1,546
Tubular Products	1,548	890
Total Gross Profit	6,424	4,831
Expenses:		
Selling and administrative expenses	5,221	4,936
Interest expense	580	458
Other (income) expense	13	(122)
Total Expenses	5,814	5,272
Income Before Income Taxes	610	(441)
Income Tax Expense (Benefit)	208	(150)
Net Income (Loss)	$ 402	$ (291)

First Quarter 1995 Results of Operations

The net income for the 1995 first quarter was $0.4 million or $0.04 per share. This compares to a 1994 first quarter net loss of $0.03 million or $0.03 per share. Last year's first quarter results were adversely impacted by severe winter weather.

Net sales in 1995 were $55.5 million or 23% higher than the comparable period in 1994. Rail products' net sales of $21.1 million increased 21% from the comparable period last year principally as a result of higher billings for used rail products. Tubular products' net sales were $15.1 million or 10% higher than in 1994. An increase in the sales of coated pipe products more than offset a decline in warehouse pipe sales. Changes in net sales are primarily the result of changes in volume rather than changes in prices.

The gross margin percentage for the Company in the 1995 first quarter increased to 12% versus 11% in the 1994 quarter. Rail products' gross margin percentage declined to 13% from 14% in the year earlier quarter due primarily to lower margins on used rail and transit products. Construction products' gross margin of 11% was unchanged from the comparable period in 1994. The gross margin percentage for the Company's tubular products segment increased to 10% from 7% in 1994. This improvement was due to increased pipe coating volume.

Selling and administrative expenses increased 6% in the 1995 first quarter from the same period last year due in part to performance related accruals. Interest expense increased 27% from the first quarter of 1994 as a result of both higher borrowings to finance working capital and higher interest rates.

Liquidity and Capital Resources

The Company's ability to generate internal cash flow ("liquidity") results from the sale of inventory and the collection of accounts receivable. During the first quarter of 1995, the average turnover rates for accounts receivable and inventories were relatively unchanged from the prior year. Working capital at March 31, 1995 was $52.7 million compared to $52.5 million at December 31, 1994.

During the first quarter of 1995, the Company had capital expenditures of $0.8 million, the majority of which was for the Newport pipe coating facility. Capital expenditures in 1995 are expected to be approximately $6 million. Capital expenditures are anticipated to be funded by cash flows from operations, the proceeds from capital leases and the normal disposition of used rental pool assets.

Total revolving credit agreement borrowings at March 31, 1995 were $34.1 million or relatively unchanged from the end of 1994. At March 31, 1995, the Company had approximately $5.9 million in unused borrowing commitment of which $3.6 million was available. Management believes its internal and external sources of funds are adequate to meet anticipated needs.

Other Matters

Management continues to evaluate the overall performance and return of each of the Company's operations. The operating results of certain tubular business units have been disappointing. While some progress has been made, the Company continues to review its alternatives to improve the profitability of these units or to dispose of them.

In March 1994, Livermore Amador Valley Wastewater Management Agency ("LAVWMA") notified the Company that it had supplied LAVWMA with pipe for a pipeline constructed between 1978 and 1979, and alleged that a substantial portion of the interior lining of the pipe had delaminated. In August 1994, LAVWMA filed suit against the Company in Superior Court of California, Eastern District of the County of Alameda and alleged that the Company is liable under theories of negligence and strict liability for the cost of repairing or replacing the pipe and punitive damages. LAVWMA contends that the cost of repairing and/or replacing the pipeline will be between $10 million and $30 million. The Company subsequently removed the case to the United States District Court in the Northern District of California. Although no assurances can be given, the Company believes it has meritorious defenses to this action and will defend itself vigorously.

The Company is responsible for certain waste previously generated at its former tie treating facility in Winslow, Indiana. Recent test results performed for the Company indicate possible contamination and additional testing is required.

Until such testing is completed, the Company can not determine what additional actions, if any, may be necessary. Although no assurances can be given, the Company believes that additional costs will not be material.

It is not possible to quantify with certainty the potential impact of all actions regarding environmental matters, particularly future remediation and other compliance efforts. However, in the opinion of management, compliance with present environmental protection laws will not have a material adverse effect on the financial position of the Company. The Company's efforts to comply with increasingly stringent environmental matters may have an adverse effect on the Company's future earnings.

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". This statement is effective for fiscal years beginning after December 15, 1995, although earlier application is permitted. Management has not yet determined the impact the statement will have on the Company's financial statements.

Outlook

The Company's future operating results may be affected by a number of factors. The Company is dependent upon a number of major suppliers. If a supplier had operational problems or ceased making material available to the Company, operations could be adversely affected. The Company's operations are in part 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 operations results may also be affected by the weather.

Although backlog is not necessarily indicative of future operating results, total Company backlog at March 31, 1995, was approximately $107 million or 32% higher than at the end of the previous year. At March 31, 1995, backlog for the Company's rail products segment increased to $59 million from $48 million at the end of the previous year. The increase was principally from municipal transit projects. Construction products' backlog was $30 million at March 31, 1995, and $19 million at December 31, 1994. The increase was principally in piling products. Tubular products' backlog improved to $18 million at March 31, 1995, from $15 million at the end of the previous year due to an increase in orders for coated pipe products.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

See Note 5, "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 herein by reference:

3.1 Restated Certificate of Incorporation as amended to date filed as Exhibit 3.1 to Form 10-Q for the quarter ended March 31, 1987.

3.2 Bylaws of the Registrant, as amended to date, filed as Exhibit 3.2 to Form 10-K for the year ended December 31, 1993.

4.1 Loan Agreement by and among the Registrant and Mellon Bank, N.A., Continental Bank, N.A. and Philadelphia National Bank dated as of February 15, 1990, filed as Exhibit 4.1 to Form 10-K for the year ended December 31, 1989.

4.1.1 First Amendment to Loan Agreement dated as of November 27, 1990 and filed as Exhibit 4.1.1 to Form 10-K for the year ended December 31, 1990.

4.1.2 Second Amendment to Loan Agreement dated as of May 22, 1991 and filed as Exhibit 4.1.2 or Form 10-Q for the quarter ended June 30, 1991.

4.1.3 Assignment and Assumption Agreement by and among the Registrant, Continental Bank, N.A. and NBD Bank, N.A. dated as of May 22, 1991 and filed as Exhibit 4.1.3 to Form 10-Q for the quarter ended June 30, 1991.

4.1.4 Third Amendment to Loan Agreement dated as of December 31, 1991, filed as Exhibit 4.1.4 to Form 10-K for the year ended December 31, 1991.

4.1.5 Security Agreement by and among the Registrant and Mellon Bank, N.A., NBD Bank, N.A., and Philadelphia National Bank dated as of January 29, 1992, filed as Exhibit 4.1.5 to Form 10-K for the year ended December 31, 1991.

4.1.6 Fourth Amendment to Loan Agreement dated as of May 11, 1992, filed as Exhibit 4.1.6 to Form 10-Q for the quarter ended June 30, 1992.

4.1.7 Security Agreement by and among Allegheny Rail Products, Inc. and Mellon Bank, N. A., NBD Bank, N. A., and Core States Bank, N. A. dated as of May 11, 1992, filed as Exhibit 4.1.7 to Form 10-Q for the quarter ended June 30, 1992.

	4.1.8	Fifth Amendment to Loan Agreement dated as of September 25, 1992, filed as Exhibit 4.1.8 to Form 10-Q for the quarter ended September 30, 1992.
	4.1.9	Sixth Amendment to Loan Agreement dated as of April 30, 1993, filed as Exhibit 4.1.9 to Form 10-Q for the quarter ended March 31, 1993.
	4.1.10	Seventh Amendment to Loan Agreement dated as of December 31, 1993, filed as Exhibit 4.1.10 to Form 10-K for the year ended December 31, 1993.
	4.1.11	Eighth Amendment to Loan Agreement dated as of February 22, 1995, filed as Exhibit 4.1.11 to Form 10-K for the year ended December 31, 1994.
*	4.1.12	Ninth Amendment to Loan Agreement dated as of May 3, 1995.
	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.
	10.19	Lease between the Registrant and American Cast Iron Pipe Company for Pipe Coating Facility in Birmingham, Alabama dated December 11, 1991 and filed as Exhibit 10.19 to Form 10-K for the year ended December 31, 1991.
	10.33.2	Amended and Restated 1985 Long-Term Incentive Plan, as amended and restated March 2, 1994 and filed as Exhibit 10.33.2 to Form 10-K for the year ended December 31, 1993. **
	10.44	Amended Agreement between the Registrant and James W. Wilcock dated as of February 19, 1991 and filed as Exhibit 10.44 to Form 10-K for the year ended December 31, 1990. **
	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, 1993. **
	10.49	Lease agreement between Newport Steel Corporation and L. B. Foster Company dated as of October 12, 1994 and filed as Exhibit 10.49 to Form 10-Q for the quarter ended September 30, 1994.

10.50 L. B. Foster Company 1995 Incentive Compensation Plan. Filed as Exhibit 10.50 to Form 10-K for the year ended December 31, 1995. **

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.

** Identified 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, 1995.

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 thereunto duly authorized.

L. B. FOSTER COMPANY
(Registrant)

Date: May 11, 1995

By /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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NINTH AMENDMENT TO LOAN AGREEMENT

THIS NINTH AMENDMENT (this "Amendment") dated as of May 3, 1995, by and among L.B. FOSTER COMPANY, a Delaware corporation, ALLEGHENY RAIL PRODUCTS, INC., a Pennsylvania corporation, MELLON BANK, N . A. ("Mellon"), NBD BANK ("NBD") and CORESTATES BANK, N. A. ("CoreStates") (Mellon, NBD and CoreStates are hereinafter separately called a "Bank" and collectively the "Banks") and MELLON BANK, N.A., as agent for the Banks (in such capacity, the "Agent");

W I T N E S S E T H :

WHEREAS, the Borrower and the Banks are parties to a Loan Agreement dated February 15, 1990, as amended by the First Amendment to Loan Agreement dated November 29, 1990, by the Second Amendment to Loan Agreement dated May 22, 1991, by the Third Amendment to Loan Agreement dated as of January 29, 1992, by the Fourth Amendment to Loan Agreement dated as of May 11, 1992, by the Fifth Amendment to Loan Agreement dated as of September 25, 1992, by the Sixth Amendment to Loan Agreement dated as of April 20, 1993, by the Seventh Amendment to Loan Agreement dated as of December 31, 1993 and by the Eighth Amendment to Loan Agreement dated as of February 22, 1995 (as so amended and as the same may hereafter be amended from time to time called the "Agreement");

WHEREAS, the Borrower has requested a temporary increase in the Commitment;

WHEREAS, the Banks are prepared to make such an increase until October 31, 1995 pursuant to the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

1. Commitment. Section 2.01 of the Agreement is hereby amended and restated in its entirety as follows:

Section 2.01. Commitments. Subject to the terms and conditions hereof, and relying upon the representations and warranties of the Borrower herein set forth, each Bank severally agrees to make Loans to Borrower, on any Business Day, at any time or from time to time prior to the Expiration Date, in an aggregate

principal amount not exceeding at any one time outstanding the amount set forth opposite its name below (such amount, as the same may be reduced from time to time hereafter in accordance with Section 2.10(b) hereof, being herein referred to as the "Commitment"):

Name and address of Bank	Commitment until October 31, 1995	Commitment from November 1, 1995 until Expiration Date	Percentage
Mellon Bank, N.A. One Mellon Bank Center Pittsburgh, PA 15258	$19,406,250	$17,250,000	43.125%
NBD Bank 611 Woodward Avenue Detroit, MI 48226	$12,796,875	$11,375,000	28.4375%
CoreStates Bank, N.A. Broad & Chestnut Sts. Philadelphia, PA 19101	$12,796,875	$11,375,000	28.4375%
Total	$45,000,000	$40,000,000	100%

provided, that the aggregate amount of Debt attributable to the Loans outstanding at any one time shall not exceed an amount equal to the sum of (a) 75% of Eligible Accounts plus (b) 45% of Eligible Inventory (the sum of such percentage of Eligible

Accounts and Eligible Inventory being referred to herein collectively as the "Borrowing Base"); provided, further, that the sum of all Loans outstanding at any one time plus the face amount of all outstanding Letters of Credit shall not exceed the sum of the Banks' Commitments' provided, further, that the sum of the face amounts of all outstanding Letters of Credit shall not exceed $10,000,000 at any time; and provided, further, that the aggregate principal amount of Loans outstanding to Allegheny plus the face amount of all outstanding Letters of Credit issued for the account of Allegheny shall not in the aggregate exceed at any time the amount of $3,500,000.

It is the intention of the parties that (a) the aggregate outstanding principal balances of all Loans hereunder shall at no time exceed the lesser of (i) the sum of the Banks' Commitments less the face amounts of all outstanding Letters of Credit and (ii) the Borrowing Base, and if, at any time, an excess shall for any reason exist, the Borrower shall forthwith repay to the Agent for the ratable account of the Banks, in funds immediately available, the amount of such excess, together with all interest on the amount so repaid.

Within such limits of time and amount and provided that the conditions of lending set forth in Section 4.02 hereof are satisfied and that no Event of Default or Potential Event of Default has occurred and is continuing or exists, Borrower may borrow, prepay, repay and reborrow hereunder until the Expiration Date, when the Commitment of each Bank shall cease and all Loans shall become immediately due and payable in full. The proceeds of the Loans shall be used by Borrower for working capital, general corporate purposes.

2. Conditions Precedent. The effectiveness of this Amendment is conditioned upon the satisfaction of the following conditions precedent:

(a) the representations and warranties of the Borrower contained in the Agreement shall be true and no Event of Default shall have occurred and no condition or event shall have occurred or existed which would, after notice or lapse of time or both, constitute such an Event of Default;

(b) there shall have been delivered to the Agent copies of all documents evidencing corporate action taken by the Borrower permitting the increased borrowing contemplated by this Amendment and such corporate action shall be in form and scope satisfactory to the Agent and special counsel for the Agent, certified by the Secretary of the Borrower;

(c) Foster and Allegheny shall have acknowledged that the full amount of the Commitment constitutes Guaranteed Indebtedness under the Guaranty and Suretyship Agreements;

(d) Foster shall have acknowledged that the full amount of the commitment constitutes Debt under the Pledge Agreement;

(e) the Notes shall be amended and restated to reflect the full amount of each Bank's Commitment; and

(f) all details in connection with this Amendment shall be satisfactory in form and substance to the Agent and its special counsel and there shall have been delivered to the Agent and its special counsel counterpart originals, certificates or other copies of such documents and proceedings in connection with this Agreement and in such quantities as the Agent or its special counsel may reasonably request.

3. General.

(a) Effect of Amendment. Except as expressly amended hereby, this Amendment shall not constitute (a) an amendment, modification or alteration of the terms, conditions or covenants of the Agreement, the Notes, the Security Agreements or any and all documents or agreements executed pursuant to the foregoing, (b) a waiver, release or limitation upon the exercise by any of the Banks of any of their respective rights, legal or equitable, under the Agreement, the Notes, the Security Agreements or any and all documents or agreements executed pursuant to the foregoing, or (c) a waiver of any Event of Default or Potential Event of Default under the Agreement. Except as expressly stated herein, this Amendment shall not relieve or release the Borrower in any way or to any extent from any of the duties, obligations, covenants or agreements imposed upon the Borrower by the Agreement, the Notes, the Security Agreements and any and all documents or agreements executed thereunder. Except as expressly amended hereby, the Agreement remains in full force and effect.

(b) Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereunto have executed this Amendment as of the day and year first above written.

ATTEST: L. B. FOSTER COMPANY

David L. Voltz

By: Lee B. Foster, II
Title: CEO

David L. Voltz

ALLEGHENY RAIL PRODUCTS, INC.

By: Henry M. Ortwein, Jr.
Title: President

MELLON BANK, N.A., individually and as Agent

By: Charles H. Staub
Title: Vice President

NBD BANK

By: Thomas W. Doddridge
Title: Vice President

CORESTATES BANK, N.A.

By: Michael Schmittlein
Title: Vice President