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, 1996

Commission File Number 0-10436

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

Delaware	25-1324733
(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 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 8, 1996
Class A Common Stock, Par Value $.01	9,937,738 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, 1996	December 31, 1995
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,533	$ 1,325
Accounts and notes receivable (Note 3):		
Trade	41,837	48,166
Other	274	111
	42,111	48,277
Inventories (Note 4)	43,457	40,304
Current deferred tax assets	984	1,005
Other current assets	798	831
Property held for resale	985	985
Total current assets	89,868	92,727
Property, Plant & Equipment-At Cost	42,419	43,561
Less Accumulated Depreciation	(20,876)	(20,956)
	21,543	22,605
Property Held for Resale	4,187	4,545
Deferred Tax Assets	1,899	2,018
Other Assets	2,816	2,528
TOTAL ASSETS	$120,313	$124,423
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$1,279	$1,266
Short-term borrowings (Note 5)	5,085	9,750
Accounts payable	20,221	18,065
Accrued payroll and employee benefits payable	2,206	2,682
Other current liabilities	1,866	3,105
Total current liabilities	30,657	34,868
Long-Term Debt	24,807	25,034
Other Long-Term Liabilities	1,441	1,348
Stockholders' Equity:		
Class A Common stock	102	102
Paid-in capital	35,163	35,148
Retained earnings	28,700	28,480
Treasury stock	(557)	(557)
Total stockholders' equity	63,408	63,173
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$120,313	$124,423

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, 1996	1995
Net Sales	$48,303	$55,456
Costs and Expenses:		
Cost of Goods Sold	42,104	49,032
Selling and Administrative Expenses	5,403	5,221
Interest Expense	564	580
Other (Income) Expense	(128)	13
	47,943	54,846
Income Before Income Taxes and Cumulative Effect of Change in Accounting Method	360	610
Income Taxes	140	208
Income Before Cumulative Effect of Change in Accounting Method	220	402
Cumulative Effect of Change in Accounting Method (Note 2)		(219)
Net Income	$ 220	$ 183
Earnings Per Common Share Before Cumulative Effect of Change in Accounting Method	$ 0.02	$ 0.04
Earnings Per Common Share from Cumulative Effect of Change in Accounting Method		(0.02)
Earnings Per Common Share (Note 6)	$ 0.02	$ 0.02
Average Number of Common Shares Outstanding	9,934	9,923
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,	
	1996	1995
Cash Flows from Operating Activities:		
Net Income	$220	$183
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:		
Deferred income taxes	140	284
Depreciation and amortization	874	649
Gain on sale of property, plant and equipment	(178)	(46)
Cumulative effect of change in accounting method	219	
Change in Operating Assets and Liabilities:		
Accounts receivable	6,166	2,177
Inventories	(3,153)	(4,785)
Property held for resale	358	
Other current asset	33	137
Other non-current assets	(288)	(80)
Accounts payable-trade	2,156	2,869
Accrued payroll and employee benefits	(476)	(606)
Other current liabilities	(1,239)	(529)
Other liabilities	93	34
Net Cash Provided by Operating Activities	4,706	506
Cash Flows from Investing Activities:		
Proceeds from sale of property, plant and equipment	1,079	182
Capital expenditures on property, plant and equipment	(596)	(755)
Net Cash Used by Investing Activities	483	(573)
Cash Flows from Financing Activities:		
Proceeds from issuance of revolving credit agreement borrowings	(4,665)	200
Exercise of stock options	15	
Repayments of long-term debt	(331)	(207)
Net Cash Used by Financing Activities	(4,981)	(7)
Net Increase (Decrease) in Cash and Cash Equivalents	208	(74)
Cash and Cash Equivalents at Beginning of Period	1,325	1,180
Cash and Cash Equivalents at End of Period	$ 1,533	$ 1,106

Supplemental Disclosures of Cash Flow Information:

	1996	1995
Interest Paid	$ 602	$ 583
Income Taxes Paid	$ 34	$ 30

During 1996, the Company financed the purchase of certain capital expenditures totaling $117,000 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 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. Operating results for the three months ended March 31, 1996 are not necessarily indicative of the results that may be expected for the year ended December 31, 1996. 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, 1995.

2. ACCOUNTING PRINCIPLES

The Company adopted the provisions of the Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," in its financial statements for the year ended December 31, 1995. The cumulative effect as of January 1, 1995, of adopting Statement 121 decreased net income by $219,000, or $0.02 per share.

In October 1995, the FASB issued SFAS No. 123, "Accounting for Stock-Based Compensation". This statement is effective for fiscal years beginning after December 15, 1995. The Company will continue to record stock-based compensation under the provisions of APB 25, and will provide the disclosures and pro forma results mandated by SFAS 123, for year end reporting.

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, 1996 and December 31, 1995 have been reduced by an allowance for doubtful accounts of $1,857,000 and $1,800,000, respectively. Bad debt expense was $57,000 and $67,000 for the three month periods ended March 31, 1996 and 1995, respectively.

4. INVENTORIES

Inventories of the Company at March 31, 1996 and December 31, 1995 are summarized as follows (in thousands):

	March 31, 1996	December 31, 1995
Finished goods	$ 33,370	$ 33,570
Work-in-process	9,619	6,687
Raw materials	3,305	2,659
Total inventories at current costs:	46,294	42,916
(Less):		
Current costs over LIFO stated values	(2,237)	(2,012)
Reserve for decline in market value of inventories	(600)	(600)
	$43,457	$40,304

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

During 1995, the Company executed a restated and amended revolving credit agreement. The amended agreement increased the borrowing commitment available to $45 million from $40 million, slightly reduced interest rates and extended the term of the agreement to July 1, 1999. Borrowings under the agreement are secured by accounts receivable and inventory.

The agreement includes financial covenants requiring a minimum net worth, a fixed charge coverage ratio, a leverage ratio and a current ratio. The agreement also places restrictions on dividends, investments, capital expenditures, indebtedness and sales of certain assets.

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 quarterly periods ending March 31, 1996 and 1995 of approximately 9,934,000 and 9,923,000, respectively.

Common stock equivalents are the net additional number of shares which would be issuable upon the exercise of the outstanding common stock warrants and 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, 1996 and 1995.

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 increasingly stringent environmental regulations may have an adverse effect on the Company's future earnings. 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.

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, 1996, the Company had outstanding letters of credit of approximately $650,000.

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

	Three Months Ended March 31, 1996	1995
	(Dollars in thousands)	
Net Sales:		
Rail Products	$ 23,519	$ 21,130
Construction Products	16,018	19,215
Tubular Products	8,766	15,111
Total Net Sales	48,303	55,456
Gross Profit:		
Rail Products	3,514	2,751
Construction Products	2,076	2,125
Tubular Products	609	1,548
Total Gross Profit	6,199	6,424
Expenses:		
Selling and adminsitrative expenses	5,403	5,221
Interest expense	564	580
Other (income) expense	(128)	13
Total Expenses	5,839	5,814
Income Before Income Taxes	360	610
Income Tax Expense	140	208
Income Before Cumulative Effect of Change in Accounting Principle	220	402
Cumulative Effect of Change in Accounting Principle		(219)
Net Income	$ 220	$ 183

Results of Operations for the Three Months Ended March 31, 1996

The net income for the 1996 first quarter was $0.2 million or $0.02 per share on net sales of $48 million. This compares to a 1995 first quarter net income of $0.2 million or $0.02 per share on net sales of $55 million. The restated 1995 results included a charge of $0.2 million relating to the adoption of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of".

Rail products' net sales in the 1996 first quarter of $23.5 million increased 12% from the comparable period last year as a result of increased sales of rail products primarily associated with the Port of Los Angeles project. Construction products' first quarter net sales decreased 16%. The decline was attributable to severe winter weather and the continued reduced availability of piling products due to decreased production by a major supplier. Tubular products' net sales in the quarter were $8.8 million or a decrease of 42% which reflects the Company's previously planned strategy to withdraw from the warehouse pipe market. 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 in the 1996 first quarter increased to 13% from 12% in the 1995 first quarter. Rail products' gross margin percentage increased to 15% due primarily to higher margins on transit and relay rail products. Construction products' gross margin percentage increased to 13% due to a reduction in the sale of lower margin piling products. The gross margin percentage for tubular products decreased to 7% due to lower margins on coated pipe products as the result of a planned shutdown of the Birmingham facility for selected equipment upgrades.

Selling and administrative expenses increased 3% in the 1996 first quarter from the same period last year.

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 three months of 1996, the average turnover rate for inventory increased slightly from the prior year. The turnover rate for accounts receivable during the first three months of 1996 was slightly lower than during the same period of the prior year. Working capital at March 31,1996 was $59.2 million compared to $57.9 million at December 31, 1995.

During the first three months of 1996, the Company had capital expenditures of $0.6 million. Capital expenditures in 1996 are not expected to exceed $3.0 million and are anticipated to be funded by cash flows from operations.

During 1995, the Company executed a restated and amended revolving credit agreement. The amended agreement increased the borrowing commitment available to $45 million from $40 million, slightly reduced interest rates and extended the term of the agreement to July 1, 1999. Borrowings under the agreement are secured by accounts receivable and inventory.

Total revolving credit agreement borrowings at March 31, 1996 were $25.1 million or a decrease of $4.7 million from the end of the prior year. At March 31, 1996, the Company had approximately $19.3 million in available unused borrowing commitment. Management believes its internal and external sources of funds are adequate to meet anticipated needs.

Other Matters

The Company currently owns stock with a book value of approximately $2.0 million in a privately-held corporation. The market value of the stock is not readily determinable and, therefore, the investment is recorded in the Company's accounts at its historical cost of $0.2 million. The Company has been advised that plans are being formulated to sell this business. Although no assurances can be given as to timing or results of these plans, the Company believes that the potential sale price could significantly exceed the privately-held corporation's book value.

The Company has made a decision to divest its Fosterweld operations. Exclusive discussions with a potential buyer concerning the Parkersburg, West Virginia facility, which has fixed assets and working capital with carrying values of approximately $3.0 and $4.1 million respectively, are currently ongoing. The outcome of these discussions, however, is uncertain at this time. Additionally, the Company has reached an agreement to sell its facility at Windsor, New Jersey, which has fixed assets with a carrying value of $1.0 million. These fixed assets have been classified on the consolidated balance sheet as property held for resale. In February 1996, the Company leased its Navasota, Texas pipe coupling facility to a third party, with an option to purchase at $0.8 million.

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, 1996, was approximately $95 million or 18% higher than at December 31, 1995 and 11% lower than at March 31, 1995. The following table provides the backlog by business segment.

	Backlog		
	March 31,		December 31,
	1996	1995	1995
	(Dollars in thousands)		
Rail Products	$43,722	$58,762	$43,879
Construction Products	37,562	30,434	28,239
Tubular Products	13,872	17,827	8,857
Total Backlog	$95,156	$107,023	$80,975

PART II. OTHER INFORMATION

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 Amended and Restated Loan Agreement by and amoung the Registrant and Mellon Bank, N.A., NBD Bank, and Corestates Bank, N.A. dated as of November 1, 1995 and filed as Exhibit 4.1 to Form 10-K for the year ended December 31, 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. **

10.45 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 1996 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, 1996.

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 10, 1996

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)

5
1,000

3-MOS
DEC-31-1996
MAR-31-1996
1553
0
42111
1857
43457
89868
60156
33468
120313
30657
24807
0
0
102
63863
120313
48303
48303
42104
42104
0
0
564
360
140
220
0
0
0
220
.02
.02