

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) October 25, 2007

L. B. Foster Company

(Exact name of registrant as specified in its charter)

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State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
Pennsylvania	000-10436	25-1324733

415 Holiday Drive, Pittsburgh, Pennsylvania	15220
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(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (412) 928-3417

(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 October 25, 2007, L.B. Foster Company (the "Company") issued a press release announcing the Company's results of operations for the third quarter ended September 30, 2007. 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, October 25, 2007.

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: October 25, 2007

/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 October 25, 2007, of L. B. Foster Company.

L.B. Foster Company

415 Holiday Drive, Pittsburgh, PA 15220

Contact: Stan L. Hasselbusch

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Email: investors@LBFosterCo.com

FOR IMMEDIATE RELEASE

L.B. FOSTER REPORTS RECORD THIRD QUARTER EARNINGS

SALES INCREASE 42%

PITTSBURGH, PA, October 25, 2007 - 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 third quarter earnings per diluted share from continuing operations increased to \$1.32. These results include an incremental \$8.5 million of dividend income recorded in the third quarter related to the DM&E Railroad. Excluding this incremental income, earnings per diluted share from continuing operations were \$0.64 compared to \$0.32 in last year's third quarter, a 100% increase. This marks the eleventh consecutive quarter the Company has recorded an earnings increase over the prior year quarter.

The incremental dividend income recorded in the third quarter was related to previously unrecorded preferred stock dividends payable by the DM&E to the Company that had not been recognized due to the uncertainty as to when they might be paid. This uncertainty was eliminated when the DM&E agreed to be acquired by the Canadian Pacific Railway on September 4, 2007. The Company received approximately \$148.8 million when the transaction eventually closed on October 5, 2007. The gain on the sale of the Company's investment in the DM&E (which is expected to be approximately \$122.9 million) will be recorded in the fourth quarter.

2007 Third Quarter Results

In the third quarter of 2007, L.B. Foster had income from continuing operations of \$14.5 million or \$1.32 per diluted share compared to income from continuing operations of \$3.4 million or \$0.32 per diluted share in the third quarter of 2006. The Company reported no income from discontinued operations in the third quarter of 2007, compared to \$0.3 million (\$0.02 per diluted share) in last year's third quarter, which relates to its former Geotechnical Division that was sold in the first quarter of 2006. Net income was \$14.5 million or \$1.32 per diluted share in 2007 compared to \$3.7 million or \$0.34 per diluted share in 2006.

Net sales increased 42% to \$135.8 million compared to \$95.9 million in the prior year quarter. Gross profit margin was 15.5%, up 100 basis points from the prior year quarter primarily as a result of increased billing margins before manufacturing and other variances and, to a lesser extent, decreased unfavorable manufacturing variances.

Selling and administrative expenses increased \$1.6 million or 20% over last year's quarter due primarily to increased employee related costs including salaries and incentive compensation. Third quarter interest expense was \$0.9 million, a 4% increase over the prior year quarter due to slightly increased borrowings, however, interest expense has decreased 24% and 22% from the first and second quarters, respectively, of this year as the Company has generated strong positive cash flow in the second and third quarter of 2007. The Company's income tax rate from continuing operations was 22.8% in the third quarter compared to 32.2% in the prior year quarter. The low tax rate in this year's third quarter was due primarily to the incremental \$8.5 million of dividend income as only 30% of this dividend income was taxable.

"Overall, Rail, Tubular and Construction Products sales were very strong and bottom line results as well as operating margins increased across all segments. We should note, however that Rail sales, as expected, were lower than the second quarter of this year, primarily due to decreased new rail sales," commented Stan Hasselbusch, President and Chief Executive Officer. CXT Concrete Tie sales increased considerably over the prior year due to higher volumes at our Tucson tie facility and increased production at our Grand Island tie facility. The employee turnover issues in Tucson that we referred to in our second quarter release have improved and we are working toward an accelerated training schedule designed to mitigate the risk of a similar occurrence in the future. We are also pleased to announce that our Spokane workforce represented by the United Steelworkers Local number 338 have ratified a new four year agreement," remarked Mr. Hasselbusch. Mr. Hasselbusch concluded by adding, "To create additional value for our organization and our stakeholders, it is our strategy to continually improve our existing businesses while we work at identifying and evaluating potentially synergistic acquisitions."

2007 Year-to-Date Results

For the nine months ended September 30, 2007, L.B. Foster reported income from continuing operations of \$24.5 million or \$2.24 per diluted share compared to \$7.7 million or \$0.72 per diluted share in 2006. As mentioned above, these results include an incremental \$8.5 million of dividend income recorded in the third quarter related to the DM&E Railroad. Excluding this incremental income, earnings per diluted share from continuing operations were \$1.55 compared to \$0.72 in last year's third quarter, a 115% increase.

Income from discontinued operations in 2006 was \$2.8 million or \$0.26 per diluted share and included the gain on the sale of our former Geotechnical Division of \$3.0 million. Net income in 2007 was \$24.5 million or \$2.24 per diluted share in 2007 compared to \$10.6 million or \$0.98 per diluted share in 2006.

Net sales for the first nine months of 2007 increased 41% to \$395.0 million compared to \$279.3 million in 2006. Gross profit margin was 14.3%, up 100 basis points from 2006, primarily as a result of increased billing margins before manufacturing and other variances.

Selling and administrative expenses increased \$3.4 million or 14% over the prior year due primarily to employee related costs including salaries and incentive compensation. Interest expense increased \$0.9 million over the prior year due to increased average borrowings. The Company's income tax rate from continuing operations was 28.6% compared to 31.3% in the prior year.

Cash provided from operations was approximately \$24.3 million for the third quarter of 2007 and \$29.0 million on a year-to-date basis, compared to cash used by operations of \$7.0 million for the first nine months of 2006. Capital expenditures were \$3.8 million for the first nine months of 2007 compared to \$12.8 million during the prior year period. "We expect to continue to generate positive cash from operations in the fourth quarter of 2007 and anticipate capital expenditures to be below \$7 million for the year," commented Mr. Hasselbusch, who concluded by reporting, "Overall business activity remains favorable and is reflected in our order bookings. Bookings for the first nine months of 2007 were \$413.9 million, 20% higher than last year. While third quarter bookings were \$119.3 million, 19% higher than last year's third quarter, our backlog at September 30, 2007 was \$165.8 million, 2.9% lower than last year as third quarter sales exceeded the prior year quarter by almost \$40 million.

L.B. Foster Company will conduct a conference call and webcast to discuss its third quarter 2007 operating results and general market activity and business conditions on Thursday, October 25, 2007 at 11:00am 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, 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 September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	(Unaudited)		(Unaudited)	
NET SALES	\$135,753	\$95,868	\$394,966	\$279,336
COSTS AND EXPENSES:				
Cost of goods sold	114,759	81,978	338,544	242,197
Selling and administrative expenses	9,890	8,245	28,081	24,661
Interest expense	926	892	3,331	2,415
Dividend income	(8,719)	(247)	(9,214)	(742)
Other (income) expense	47	(75)	(62)	(444)
	-----	-----	-----	-----
	116,903	90,793	360,680	268,087
	-----	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	18,850	5,075	34,286	11,249
INCOME TAXES	4,301	1,635	9,796	3,524
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INCOME FROM CONTINUING OPERATIONS, NET OF TAX	14,549	3,440	24,490	7,725
DISCONTINUED OPERATIONS:				
(LOSS) INCOME FROM DISCONTINUED OPERATIONS	(26)	495	(45)	3,196
INCOME TAX (BENEFIT) EXPENSE	(8)	237	(16)	357
	-----	-----	-----	-----
(LOSS) INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX	(18)	258	(29)	2,839
NET INCOME	\$14,531	\$3,698	\$24,461	\$10,564
	=====	=====	=====	=====
BASIC EARNINGS PER COMMON SHARE:				
FROM CONTINUING OPERATIONS	\$1.37	\$0.33	\$2.31	\$0.75
FROM DISCONTINUED OPERATIONS	(0.00)	0.02	(0.00)	0.27
	-----	-----	-----	-----
BASIC EARNINGS PER COMMON SHARE	\$1.36	\$0.35	\$2.31	\$1.02
	=====	=====	=====	=====
DILUTED EARNINGS PER COMMON SHARE:				
FROM CONTINUING OPERATIONS	\$1.32	\$0.32	\$2.24	\$0.72
FROM DISCONTINUED OPERATIONS	(0.00)	0.02	(0.00)	0.26
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DILUTED EARNINGS PER COMMON SHARE	\$1.32	\$0.34	\$2.24	\$0.98
	=====	=====	=====	=====
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	10,654	10,510	10,601	10,360
	=====	=====	=====	=====
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - DILUTED	10,990	10,872	10,941	10,780
	=====	=====	=====	=====

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

	September 30, 2007	December 31, 2006
	-----	-----
ASSETS	(Unaudited)	
CURRENT ASSETS:		
Cash and cash items	\$5,746	\$1,309
Accounts and notes receivable:		
Trade	62,821	60,771
Other	196	779
Inventories	93,680	99,803
Current deferred tax assets	2,653	2,653
Other current assets	1,121	1,133
Prepaid income tax	-	836
	-----	-----
Total Current Assets	166,217	167,284
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OTHER ASSETS:		
Property, plant & equipment-net	47,426	49,919
Goodwill	350	350
Other intangibles - net	53	62
Investments	25,890	16,676
Deferred tax assets	1,297	1,149
Other non-current assets	361	393
	-----	-----
Total Other Assets	75,377	68,549
	-----	-----
	\$241,594	\$235,833
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities on long-term debt	\$5,900	\$3,105
Short-term borrowings	-	726
Accounts payable-trade and other	55,457	57,446
Accrued payroll and employee benefits	10,666	6,892
Current deferred tax liabilities	3,153	3,203
Other accrued liabilities	6,965	4,215
Current liabilities of discontinued operations	233	235
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Total Current Liabilities	82,374	75,822
	-----	-----
LONG-TERM BORROWINGS	-	39,161
	-----	-----
LONG-TERM DEBT, TERM LOAN	16,905	-
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OTHER LONG-TERM DEBT	12,698	15,112
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DEFERRED TAX LIABILITIES	2,163	1,853
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OTHER LONG-TERM LIABILITIES	3,247	5,852
	-----	-----
STOCKHOLDERS' EQUITY:		
Class A Common stock	107	105
Paid-in capital	41,825	39,696
Retained earnings	83,082	58,843
Accumulated other comprehensive loss	(807)	(611)
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Total Stockholders' Equity	124,207	98,033
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	\$241,594	\$235,833
	=====	=====