

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) January 30, 2009 (January 30, 2009)

L. B. Foster Company

(Exact name of registrant as specified in its charter)

Pennsylvania

000-10436

25-1324733

(State or other jurisdiction of incorporation)

(Commission File Number)

(I.R.S. Employer Identification No.)

415 Holiday Drive, Pittsburgh, Pennsylvania

15220

(Address of principal executive offices)

(Zip Code)

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

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On January 30, 2009, L.B. Foster Company (the "Company") issued a press release announcing the Company's results of operations for the fourth quarter ended December 31, 2008. A copy of that press release is furnished with this report as Exhibit 99.1.

The information contained in this Current Report shall not be deemed to be "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934 (the "Exchange Act"), as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities and Exchange Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release issued by L.B. Foster Company, January 30, 2009.

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: January 30, 2009

/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 January 30, 2009, of L. B. Foster Company.

L.B. Foster Company

415 Holiday Drive, Pittsburgh, PA 15220

Contact: David J. Russo

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FOR IMMEDIATE RELEASE

L.B. FOSTER REPORTS FOURTH QUARTER

OPERATING RESULTS

PITTSBURGH, PA, January 30, 2009 - 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 net sales increased 26.1% to \$143.8 million compared to \$114.0 million in the prior year quarter. Gross profit margin was 13.9%, down 360 basis points from the prior year quarter primarily as a result of increased LIFO expense and decreased billing margins partially offset by improved manufacturing variances. Fourth quarter LIFO expense was approximately \$4.9 million compared to a \$0.2 million credit in the prior year.

2008 Fourth Quarter Results

In the fourth quarter of 2008, L.B. Foster had income from continuing operations of \$5.7 million or \$0.55 per diluted share compared to income from continuing operations of \$86.2 million or \$7.79 per diluted share in the fourth quarter of 2007. The prior year fourth quarter results included a \$122.9 million gain on the sale of the Company's investment in the DM&E Railroad. Excluding this gain, income from continuing operations was \$8.1 million or \$0.73 per diluted share in the fourth quarter of 2007. Accordingly, the fourth quarter of 2008 was \$0.18 per share or 24.7% less than the 2007 fourth quarter adjusted earnings per diluted share.

Selling and administrative expenses increased \$2.2 million or 23.9% over last year's quarter due primarily to increased bad debt expense as well as increased salaries. Fourth quarter interest expense was \$0.5 million, a 35.4% decrease from the prior year quarter due principally to decreased borrowings as well as decreased interest rates. The Company's income tax rate from continuing operations was 33.9% in the fourth quarter compared to 35.8% in the prior year quarter. The lower tax rate in the current year quarter was due primarily to an increase in the domestic production activities deduction.

"While we are pleased to report that increases across all product segments contributed to a 26.1% sales increase for the quarter and another record performance for the year, LIFO expense and bad debt expense had a significant negative impact on our fourth quarter results. The 2008 LIFO expense was the largest in the Company's history. Additionally, we recorded a \$1.5 million bad debt expense related to a single customer. Bookings for the quarter were strong, up 13.3% to \$99.5 million compared to \$87.8 million last year and backlog was \$132.6 million, down 4.1% from last year," commented Stan Hasselbusch, President and Chief Executive Officer. Mr. Hasselbusch also announced, "L.B. Foster purchased 71,223 shares of its stock in November for approximately \$1.7 million in addition to the previously announced 224,400 shares purchased in October pursuant to share repurchase programs authorized by our Board of Directors in May and October 2008. Our 2008 L.B. Foster share purchases now total 865,532 shares totaling \$26.5 million of the \$40.0 million authorized."

2008 Total Year Results

For the twelve months ended December 31, 2008, L.B. Foster reported income from continuing operations of \$27.7 million or \$2.57 per diluted share. These results include a \$2.0 million first quarter pretax gain related to a favorable working capital adjustment pursuant to the prior year sale of the Company's investment in the DM&E Railroad, as well as a \$1.5 million pretax gain on the sale and lease-back of our threaded products facility in Houston, Texas. Excluding these gains and the aforementioned 2007 gain on the sale of our DM&E investment as well as \$8.5 million of incremental dividend income recorded in the third quarter of 2007 related to the DM&E sale, earnings per diluted share from continuing operations were \$2.36 compared to \$2.28 in 2007, an increase of 3.5%.

Net sales for the twelve months of 2008 increased 0.7% to \$512.6 million compared to \$509.0 million in 2007. Gross profit margin was 15.6%, up 60 basis points from 2007, primarily as a result of increased billing margins and improved manufacturing variances, substantially offset by increased LIFO expense.

Selling and administrative expenses increased \$3.6 million or 9.5% over the prior year due primarily to salaries and bad debt expense. Interest expense

decreased 50.5% from the prior year to \$2.0 million due principally to decreased borrowings and, to a lesser extent, decreased interest rates. The Company's income tax rate from continuing operations was 35.9% compared to 34.3% in the prior year.

Cash provided from operations was approximately \$14.7 million for the fourth quarter of 2008 and \$24.1 million for the full year compared to \$41.4 million (as adjusted for the DM&E transactions) in 2007. Capital expenditures for 2008 were \$4.8 million compared to \$5.3 million in the prior year. "As we enter 2009, we expect to be challenged by a difficult business environment. During the fourth quarter, we have diligently prepared for the impending downturn by implementing certain measures to control costs, focus on ways to maximize free cash flow, improve our operational excellence and continue to look for opportunities to leverage our strong balance sheet, all with the goal of maintaining sales and minimizing profit erosion," noted Mr. Hasselbusch as he concluded, "We have strong liquidity, access to credit and we continue to look for value as we target synergistic and accretive acquisitions."

The Company also announced that its 2009 Annual Meeting of Shareholders is scheduled for May 21, 2009 at the Company's headquarters at 415 Holiday Drive, Pittsburgh, PA 15220. The record date for shareholders entitled to vote at the meeting will be on the close of business on March 20, 2009.

L.B. Foster Company will conduct a conference call and webcast to discuss its fourth quarter 2008 operating results and general market activity and business conditions on Friday, January 30, 2009 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, sudden and/or sharp declines in steel prices, adequate funding for infrastructure projects, production delays or problems encountered at our manufacturing facilities, and the availability of existing and new piling and rail products. There are also no assurances that the Canadian Pacific Railway will proceed with the Powder River Basin project and trigger any contingent payments to L.B. Foster related to the Company's sale of its investment in the DM&E. 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 December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
	(unaudited)		(unaudited)	
NET SALES	\$143,768	\$114,015	\$512,592	\$508,981
COSTS AND EXPENSES:				
Cost of goods sold	123,763	94,054	432,374	432,598
Selling and administrative expenses	11,552	9,322	40,969	37,403
Interest expense	452	700	1,995	4,031
Dividend income	-	-	-	(9,214)
Gain on sale of DM&E investment	-	(122,885)	(2,022)	(122,885)
Gain on sale of property	-	-	(1,486)	-
Interest income	(657)	(1,175)	(2,675)	(1,196)
Other expense (income)	94	(226)	158	(267)
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	135,204	(20,210)	469,313	340,470
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INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	8,564	134,225	43,279	168,511
INCOME TAX EXPENSE	2,907	47,991	15,533	57,787
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INCOME FROM CONTINUING OPERATIONS	5,657	86,234	27,746	110,724
DISCONTINUED OPERATIONS:				
LOSS FROM DISCONTINUED OPERATIONS	-	(2)	-	(47)
INCOME TAX BENEFIT	-	-	-	(16)
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LOSS FROM DISCONTINUED OPERATIONS	-	-	-	(31)
NET INCOME	\$ 5,657	\$ 86,232	\$ 27,746	\$110,693
	=====	=====	=====	=====
BASIC EARNINGS PER COMMON SHARE:				
FROM CONTINUING OPERATIONS	\$0.55	\$7.98	\$2.60	\$10.39
FROM DISCONTINUED OPERATIONS	0.00	(0.00)	0.00	(0.00)
	-----	-----	-----	-----
BASIC EARNINGS PER COMMON SHARE	\$0.55	\$7.98	\$2.60	\$10.39
	=====	=====	=====	=====
DILUTED EARNINGS PER COMMON SHARE:				
FROM CONTINUING OPERATIONS	\$0.55	\$7.79	\$2.57	\$10.09
FROM DISCONTINUED OPERATIONS	0.00	(0.00)	0.00	(0.00)
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DILUTED EARNINGS PER COMMON SHARE	\$0.55	\$7.79	\$2.57	\$10.09
	=====	=====	=====	=====
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	10,248	10,806	10,670	10,653
	=====	=====	=====	=====
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - DILUTED	10,365	11,068	10,811	10,970
	=====	=====	=====	=====

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

	December 31, 2008	2007	
	-----	-----	
ASSETS	(Unaudited)		
CURRENT ASSETS:			
Cash and cash items	\$115,074	\$121,097	
Accounts and notes receivable:			
Trade	63,271	52,856	
Other	1,042	754	
Inventories	102,916	102,447	
Current deferred tax assets	2,870	3,615	
Other current assets	1,221	1,131	
Property held for resale	-	2,497	
	-----	-----	
Total Current Assets	286,394	284,397	
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OTHER ASSETS:			
Property, plant & equipment-net	39,989	44,136	
Goodwill	350	350	
Other intangibles - net	37	50	
Deferred tax assets	1,258	1,411	
Investments	2,856	-	
Other non-current assets	407	428	
	-----	-----	
Total Other Assets	44,897	46,375	
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	\$331,291	\$330,772	
	=====	=====	
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current maturities on long-term debt	\$ 5,777	\$ 6,191	
Accounts payable-trade and other	62,612	53,689	
Accrued payroll and employee benefits	8,000	11,490	
Current deferred tax liabilities	61	3,541	
Other accrued liabilities	7,680	8,841	
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Total Current Liabilities	84,130	83,752	
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LONG-TERM DEBT, TERM LOAN	13,333	16,190	
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OTHER LONG-TERM DEBT	8,401	11,866	
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DEFERRED TAX LIABILITIES	1,278	1,638	
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OTHER LONG-TERM LIABILITIES	6,587	3,500	
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STOCKHOLDERS' EQUITY:			
Class A Common stock	111	109	
Paid-in capital	47,585	45,147	
Retained earnings	197,060	169,314	
Treasury stock	(26,482)	-	
Accumulated other comprehensive loss	(712)	(744)	
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Total Stockholders' Equity	217,562	213,826	
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	\$331,291	\$330,772	
	=====	=====	