



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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) February 18, 2004

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**1-13782**

(Commission File Number)

**25-1615902**

(IRS Employer Identification No.)

**1001 Air Brake Avenue, Wilmerding, Pennsylvania**

(Address of Principal Executive Offices)

**15148**

(Zip Code)

Registrant's Telephone Number, Including Area Code **(412)-825-1000**

---

## **TABLE OF CONTENTS**

[Item 5. Other Events](#)

[Item 7. Financial Statements and Exhibits.](#)

[Item 12. Results of Operations and Financial Condition.](#)

[SIGNATURE](#)

[EXHIBIT INDEX](#)

[Press Release](#)

[Press Release](#)

---

## [Table of Contents](#)

### **Item 5. Other Events**

On February 18, 2004 Westinghouse Air Brake Technologies Corporation issued a press release announcing the signing of additional contracts, worth about \$100 million including options, to provide door operating systems, door panels and event recorders for New York City subway cars. A copy of the press release is attached to this report as Exhibit 99.1 and incorporated into this Item 5 by reference.

### **Item 7. Financial Statements and Exhibits.**

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	Westinghouse Air Brake Technologies Corporation Press Release dated February 18, 2004 announcing matter referenced in Item 5.
Exhibit 99.2	Westinghouse Air Brake Technologies Corporation Press Release dated February 18, 2004 announcing matter referenced in Item 12.

### **Item 12. Results of Operations and Financial Condition.**

The following information is being furnished pursuant to Item 12 of Form 8-K, "Results of Operations and Financial Condition". This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On February 18, 2004, Westinghouse Air Brake Technologies Corporation issued a press release reporting the financial results of the company for the quarter ended December 31, 2003. A copy of the press release is attached to this report as Exhibit 99.2 and incorporated into this Item 12 by reference.

---

**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 hereunto duly authorized.

**WESTINGHOUSE AIR BRAKE  
TECHNOLOGIES CORPORATION**  
(Registrant)

Date: February 19, 2004

By: /s/ ALVARO GARCIA-TUNON  
Name: Alvaro Garcia-Tunon  
Title: Chief Financial Officer

---

**EXHIBIT INDEX**

<b><u>Exhibit Number</u></b>	<b><u>Description and Method of Filing</u></b>
99.1	Westinghouse Air Brake Technologies Corporation Press Release dated February 18, 2004 announcing matter referenced in Item 5, filed herewith.
99.2	Westinghouse Air Brake Technologies Corporation Press Release dated February 18, 2004 announcing matter referenced in Item 12, filed herewith.



1001 Air Brake Avenue  
Wilmerding, PA 15148  
Phone: 412.825.1484  
Fax: 412.825.1789

**Press  
Release**

**Contact: Tim Wesley at (412) 825-1543**

**Wabtec Signs Additional Contracts To Provide Components For New York City Subway Cars; New Orders Valued At About \$100 Million Including Options**

WILMERDING, Pa., Feb. 18, 2004 – Wabtec Corporation (NYSE: WAB) today announced that it has signed additional contracts, worth about \$100 million including options, to provide components for New York City subway cars.

Previously, the company announced that it had received orders for about \$150 million, including options, for brakes, couplers and current collectors. The additional orders are for door operating systems, door panels and event recorders. With the additional orders, the total value of Wabtec content is expected to be about \$250 million, including options.

The order is part of New York City's R-160 program, under which the city is expected to take delivery of 1,700 new subway cars beginning in 2006. The cars will be built by ALSTOM Transportation and Kawasaki.

"We're very pleased to expand our role as part of the team that will fulfill this historic R-160 order, the largest ever placed by New York City's Metropolitan Transportation Authority," said Gregory T.H. Davies, Wabtec's president and chief executive officer. "These new orders, along with the previous contract for brakes and other equipment, will provide a solid base of business for our Transit Group, beginning with full production in 2006 and continuing for several years after that."

The following Wabtec units will provide the equipment: WABCO Transit (brakes, couplers and current collectors), Vapor Rail (door operators), Milufab (door panels) and Wabtec Railway Electronics (event recorders).

Wabtec Corporation ([www.wabtec.com](http://www.wabtec.com)) is one of North America's largest providers of value-added, technology-based products and services for the rail industry. Through its subsidiaries, the company manufactures a range of products for locomotives, freight cars and passenger transit vehicles. The company also builds new switcher and commuter locomotives, and provides aftermarket services, including locomotive and freight car fleet maintenance. The company has facilities located throughout the world. Wabtec's mission is to be judged by its stakeholders as the world-class corporation focused on helping its global customers compete more effectively through higher levels of safety, quality and productivity.

####



1001 Air Brake Avenue  
Wilmerding, PA 15148  
Phone: 412.825.1484  
Fax: 412.825.1789

**Press  
Release**

Contact: Tim Wesley at (412) 825-1543

**Wabtec Reports Improved Earnings For Sixth Consecutive Quarter,  
And Cash Flow Of \$45 Million For Full Year 2003**

WILMERDING, Pa., Feb. 18, 2004 — Wabtec Corporation (NYSE: WAB) today reported earnings per diluted share of 13 cents, net income of \$5.9 million and EBITDA of \$19 million for the fourth quarter of 2003. The results included charges of about 3 cents per diluted share for non-operating items and income from discontinued operations of about 1 cent per diluted share. This was the company's sixth consecutive quarter of reporting year-over-year earnings increases. In the year-ago fourth quarter, Wabtec reported earnings per diluted share of 12 cents, net income of \$5.3 million and EBITDA of \$15 million.

Wabtec said the earnings increase in the fourth quarter of 2003 resulted mainly from higher sales and a more favorable product mix, offset partially by the negative impact of foreign currency exchange rates.

For the full year, the company generated \$45 million of cash flow, exceeding its target of \$40 million.

"We finished 2003 with strong cash flow, which allowed us to generate more than \$1 per share in cash for the year," said William E. Kassling, Wabtec's chairman. "Our goal is to continue to generate free cash flow in excess of net income. We expect to use this cash for debt reduction, accretive acquisitions or other general corporate purposes."

**2003 Fourth Quarter**

Net sales of \$206 million were 16 percent higher than the prior-year quarter, primarily due to higher sales of freight car components in North America and a contract to build specialty ballast cars in the United Kingdom. Sales in the Freight Group increased 21 percent, while sales in the Transit Group increased 5 percent. Gross margin was 25.8 percent, compared to 25.9 percent in the year-ago quarter, due to the negative impact of foreign currency exchange rates on the company's Canadian operations.

Operating expenses increased 14 percent, in part due to higher medical and insurance premiums. Interest expense increased to \$3.1 million, reflecting the company's new capital structure, including senior notes sold in August 2003. Other expense, which consisted primarily of charges for asset writedowns and a foreign exchange loss, decreased by 20 percent. The company had an effective tax rate of 36.5 percent, higher than the year-ago quarter, which included foreign tax credits.

---





1001 Air Brake Avenue  
Wilmerding, PA 15148  
Phone: 412.825.1484  
Fax: 412.825.1789

## Press Release

Wabtec's debt, net of cash, at Dec. 31, 2003 was \$120 million (33 percent of total capital), compared to \$176 million (47 percent of total capital) at Dec. 31, 2002. This compares to a peak of \$562 million (75 percent of total capital) in the third quarter of 2000.

"The company performed well in 2003, based on several financial and operational measurements," said Gregory T.H. Davies, Wabtec's president and chief executive officer. "We exceeded our goal for free cash flow, and generated earnings per diluted share substantially higher than last year's earnings from continuing operations. In addition, we improved quality and on-time delivery, and reduced material costs.

"We also achieved important, new-business breakthroughs. Our transit business secured long-term contracts to provide equipment for New York City's R-160 subway car order. Burlington Northern Santa Fe began a pilot project with our Electronic Train Management System. We set a corporate record for international sales, and introduced new products and services that we believe can generate substantial new sales in future years. So 2003 was another year of solid progress, and we look forward to our future with great enthusiasm."

### 2004 Outlook

As previously disclosed, Wabtec expects 2004 sales to be about \$750 million, with increases of between 5 percent and 10 percent in both the Freight and Transit groups. At that level of sales, the company expects 2004 earnings per diluted share of about 70 cents, a growth rate of 35 percent compared to 2003. The company updates annual earnings guidance as necessary during the year, but does not provide quarterly earnings guidance.

Wabtec Corporation ([www.wabtec.com](http://www.wabtec.com)) is one of North America's largest providers of value-added, technology-based products and services for the rail industry.

This press release contains forward-looking statements. Wabtec's actual results could differ materially from the results suggested in any forward-looking statement. Factors that could cause or contribute to these material differences include, but are not limited to, a slowdown in the U.S. economy; lower-than-expected deliveries of new rolling stock in 2004; and other factors contained in the company's regulatory filings, which are herein incorporated by reference. The company assumes no obligation to update these forward-looking statements or advise of changes in the assumptions on which they were based.

**To listen to the company's earnings conference call, log on to [www.wabtec.com](http://www.wabtec.com). The call will be held today at 1:30 p.m., eastern time.**

---

WABTEC CORPORATION  
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2003 AND 2002  
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)  
(UNAUDITED)

	Fourth Quarter 2003	Fourth Quarter 2002	For the Twelve Months 2003	For the Twelve Months 2002
Net sales	\$ 206,356	\$ 177,640	\$ 717,924	\$ 696,195
Cost of sales	(153,169)	(131,589)	(528,474)	(516,724)
Gross profit	53,187	46,051	189,450	179,471
Selling, general and administrative expenses	(28,419)	(23,899)	(100,503)	(93,023)
Engineering expenses	(8,669)	(8,479)	(32,929)	(33,592)
Amortization expense	(1,180)	(1,076)	(4,309)	(5,322)
Total operating expenses	(38,268)	(33,454)	(137,741)	(131,937)
Income from operations	14,919	12,597	51,709	47,534
Interest expense	(3,147)	(2,240)	(10,377)	(18,072)
Other expense, net	(3,007)	(3,736)	(6,290)	(5,558)
Income from continuing operations before income taxes	8,765	6,621	35,042	23,904
Income tax expense	(3,199)	(1,545)	(12,790)	(7,594)
Income from continuing operations	5,566	5,076	22,252	16,310
Discontinued operations				
Income from discontinued operations (net of tax)	325	174	451	403
Loss on sale of discontinued operations (net of tax)	—	—	—	(529)
Total discontinued operations	325	174	451	(126)
Income before cumulative effect of accounting change	5,891	5,250	22,703	16,184
Cumulative effect of accounting change, net of tax	—	—	—	(61,663)
Net income (loss)	<u>\$ 5,891</u>	<u>\$ 5,250</u>	<u>\$ 22,703</u>	<u>\$ (45,479)</u>

**Earnings (Loss) Per Common Share Basic**

Income from continuing operations	\$ 0.12	\$ 0.12	\$ 0.51	\$ 0.37
Income (loss) from discontinued operations	0.01	—	0.01	—
Income before cumulative effect of accounting change	0.13	0.12	0.52	0.37
Cumulative effect of accounting change, net of tax	—	—	—	(1.42)
Net income (loss)	<u>\$ 0.13</u>	<u>\$ 0.12</u>	<u>\$ 0.52</u>	<u>\$ (1.05)</u>

**Diluted**

Income from continuing operations	\$ 0.12	\$ 0.12	\$ 0.51	\$ 0.37
Income (loss) from discontinued operations	0.01	—	0.01	—
Income before cumulative effect of accounting change	0.13	0.12	0.52	0.37
Cumulative effect of accounting change, net of tax	—	—	—	(1.41)
Net income (loss)	<u>\$ 0.13</u>	<u>\$ 0.12</u>	<u>\$ 0.52</u>	<u>\$ (1.04)</u>

Weighted average shares outstanding

Basic	<u>43,981</u>	<u>43,433</u>	<u>43,538</u>	<u>43,291</u>
Diluted	<u>44,774</u>	<u>43,778</u>	<u>43,974</u>	<u>43,617</u>

**Sales by Segment**

Freight Group	\$ 146,655	\$ 120,989	\$ 522,279	\$ 443,443
Transit Group	59,701	56,651	195,645	252,752
Total	<u>\$ 206,356</u>	<u>\$ 177,640</u>	<u>\$ 717,924</u>	<u>\$ 696,195</u>

**EBITDA Reconciliation**

Net income (loss)	\$ 5,891	\$ 5,250	\$ 22,703	\$ (45,479)
Interest expense	3,147	2,240	10,377	18,072
Income tax expense	3,199	1,545	12,790	7,594
Cumulative effect of accounting change, net of tax	—	—	—	61,663
Depreciation	5,768	5,170	20,975	20,191
Amortization	1,180	1,076	4,309	5,322
EBITDA	<u>\$ 19,185</u>	<u>\$ 15,281</u>	<u>\$ 71,154</u>	<u>\$ 67,363</u>