

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP

Form 11-K

June 30, 2003

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

FORM 11-K

(Mark One):

X ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ---
ACT OF 1934

For the fiscal year ended December 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ---
ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-13782

A. Full title of the plan and the address of the plan, if different from that of
the issuer named below:

Westinghouse Air Brake Company Savings Plan for Hourly Employees

B. Name of issuer of the securities held pursuant to the plan and the address of
the principal executive office.

Westinghouse Air Brake Technologies Corporation
1001 Air Brake Avenue
Wilmerding, PA 15148

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION SAVINGS PLAN FOR HOURLY
EMPLOYEES

Form 11-K Annual Report Pursuant To Section 15(D) of
the Securities Exchange Act of 1934
For The Fiscal Year Ended December 31, 2002

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION SAVINGS PLAN
FOR HOURLY EMPLOYEES

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ANNUAL REPORT ON FORM 11-K

DECEMBER 31, 2002 AND 2001

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REPORT OF INDEPENDENT AUDITORS

To the Westinghouse Air Brake Technologies Corporation Savings Plan for Hourly Employees and Participants:

We have audited the accompanying statements of net assets available for benefits of the Westinghouse Air Brake Technologies Corporation Savings Plan for Hourly Employees as of December 31, 2002 and 2001 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2002 and 2001, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

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Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2002 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

June 6, 2003

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WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31 | |
|-----------------------------------|-------------|-----------|
| | 2002 | 2001 |
| | ----- | ----- |
| Investments, at market | \$760,542 | \$926,125 |
| Employee contribution receivable | 5,166 | -- |
| Participant loans | 52,471 | 61,763 |
| | ----- | ----- |
| Net assets available for benefits | \$818,179 | \$987,888 |
| | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

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WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
 SAVINGS PLAN FOR HOURLY EMPLOYEES
 STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Years ended December 31 | |
|--|-------------------------|--------------|
| | 2002 | 2001 |
| | ----- | ----- |
| Net assets available for benefits, beginning of year | \$ 987,888 | \$ 1,108,567 |
| | ----- | ----- |
| Increases: | | |
| Employee contributions | 92,321 | 159,333 |
| Transfer in from other plans | 8,283 | 24,202 |
| Investment income: | | |
| Interest and dividends | 27,836 | 37,264 |
| | ----- | ----- |
| Total increases | 128,440 | 220,799 |
| | ----- | ----- |
| Decreases: | | |
| Benefit payments | 188,473 | 202,098 |
| Net depreciation in fair value of investments | 109,051 | 138,719 |
| Administrative expenses | 625 | 661 |
| | ----- | ----- |
| Total decreases | 298,149 | 341,478 |
| | ----- | ----- |
| Net decrease | (169,709) | (120,679) |
| | ----- | ----- |
| Net assets available for benefits, end of year | \$ 818,179 | \$ 987,888 |
| | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

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DECEMBER 31, 2002 AND 2001

1. DESCRIPTION OF PLAN:

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the plan document and/or summary plan description for more complete information.

General

The Westinghouse Air Brake Technologies Corporation Savings Plan for Hourly Employees (the Plan), effective May 1, 1999, is a contributory plan intended to comply with the provisions of Sections 401(a), 401(k), and 401(m) of the Internal Revenue Code (IRC).

Contributions

Participants may contribute, through payroll deductions, employee elective contributions from 1% to 20% of their compensation, limited to \$11,000 in 2002. In addition, participants may contribute employee after-tax contributions from 1% to 20% of their compensation in 2002. Employee contributions were limited to contributing up to 16% of their compensation in 2001.

Participant total annual contributions may not exceed the contribution limits under Section 415(c) of the IRC. In addition, the combination of an employee's elective contribution and after-tax contribution could not exceed 20% and 16% of his/her compensation in 2002 and 2001, respectively.

Withdrawals

Participants may make the following types of withdrawals:

In-Service Withdrawals--A participant may withdraw any portion of his/her employee after-tax account and rollover accounts once in any six-month period. Once a participant has reached age 59-1/2, he/she can withdraw any portion of his/her employee elective account, provided that the participant simultaneously withdraws (or has previously withdrawn) the entire amount of his/her employee after-tax account and rollover accounts, if applicable.

Hardship Withdrawals--In the case of hardship, as defined in the plan document, the participant can receive 100% of his/her employee elective account. Hardship withdrawals are limited to once every plan year.

Loans

Participants may receive loans from the Plan. At no time shall the loans of the participant exceed the lesser of 50% of the value of the participant's vested balance of his/her account, reduced by any outstanding loan balance or \$50,000.

The loans bear interest based on prevailing commercial rates as determined quarterly by the plan administrator. The interest rates on participant loans range from 7.0% to 10.5%.

Vesting

Employee contributions are at all times 100% vested and nonforfeitable.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accounts of the Plan are maintained on the accrual basis of accounting. Expenses incurred by the plan administrator, investment manager and trustee for their services and costs in administering the Plan are paid directly by the Westinghouse Air Brake Technologies Corporation (the Company).

Investments

Investments are valued at their market values based on published quotations.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the plan administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

3. INVESTMENTS:

The trustee of the Plan holds the Plan's investments and executed transactions therein. The fair market values of individual assets that represent 5% or more of the Plan's net assets as of December 31, 2002 and 2001 are as follows:

| | December 31 | |
|---|-------------|-----------|
| | 2002 | 2001 |
| | ---- | ----- |
| Fidelity Managed Income Portfolio II | \$336,071 | \$379,273 |
| T. Rowe Price Science & Technology Fund | 68,134 | 150,123 |
| Fidelity Asset Manager Fund | 62,015 | 60,656 |
| Fidelity Freedom 2040 Fund | 49,246 | 93,280 |
| Fidelity Equity Income Fund | 46,111 | 63,520 |

For the years ended December 31, 2002 and 2001 investment income for the Plan is as follows:

| | Years ended | December 31, |
|---|-------------|--------------|
| | 2002 | 2001 |
| | ---- | ----- |
| Net appreciation (depreciation) in fair value of investments: | | |
| Corporate common stock | \$ 4,323 | \$ 4,148 |
| Mutual funds | (113,374) | (142,867) |
| | ----- | ----- |
| | (109,051) | (138,719) |
| Interest & dividends | 27,836 | 37,264 |
| | ----- | ----- |
| Total investment loss | \$ (81,215) | \$ (101,455) |
| | ===== | ===== |

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Investment Options

The trustee of the investments is Fidelity Management Trust Company (Fidelity) per the Trust Agreement dated May 1, 1999. Fidelity maintains the investments and provides record-keeping functions for the Plan. Each participant's account, at the discretion of the participant, may be invested in a variety of funds.

4. PLAN TERMINATION:

In the event the Plan is terminated, the Company will direct either (a) that the investment manager and trustee continue to hold the participants' accounts in accordance with the Plan, or (b) that the investment manager and trustee immediately distribute to each participant all amounts in the participant's account in a single lump-sum payment.

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5. TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated November 19, 2002, stating that the Plan is qualified under Section 410(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator has indicated that it will take the necessary steps, if any, to maintain the Plan's qualified status.

6. SUBSEQUENT EVENT

Effective January 1, 2003, Service Center hourly employees, who were participants in the Plan, were transferred into the Westinghouse Air Brake Technologies Corporation Savings Plan (Savings Plan). Assets of \$496,490, representing these participants' accounts, were transferred into the Savings Plan from the Plan.

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WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION

SAVINGS PLAN FOR HOURLY EMPLOYEES

PLAN NUMBER 009

EMPLOYER IDENTIFICATION NUMBER 25-1615902

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2002

| Description of Investment | Units/Shares | Current Value |
|---------------------------|--------------|---------------|
|---------------------------|--------------|---------------|

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Common Stock

| | | |
|----------------------|-----------|-----------|
| * Wabtec Corporation | 2,925.887 | \$ 34,146 |
|----------------------|-----------|-----------|

Registered Investment Companies

| | | |
|---|-------------|---------|
| T. Rowe Price Science & Technology Fund | 5,481.453 | 68,134 |
| Banc One Bond Fund | 2,793.382 | 31,090 |
| * Fidelity Magellan | 165.376 | 13,058 |
| * Fidelity Contrafund | 31.552 | 1,218 |
| * Fidelity Equity Income Fund | 1,162.358 | 46,111 |
| * Fidelity Growth Company Fund | 338.649 | 11,995 |
| * Fidelity Overseas Fund | 629.469 | 13,848 |
| * Fidelity Blue Chip Growth Fund | 454.311 | 14,511 |
| * Fidelity Asset Manager Fund | 4,493.821 | 62,015 |
| * Fidelity Freedom 2000 Fund | 7.319 | 81 |
| * Fidelity Freedom 2010 Fund | 2,567.523 | 29,372 |
| * Fidelity Freedom 2020 Fund | 1,547.972 | 16,470 |
| * Fidelity Freedom 2030 Fund | 1,420.124 | 14,542 |
| * Fidelity Managed Income Portfolio II | 336,071.290 | 336,071 |
| Spartan US Equity Index Portfolio | 598.207 | 18,634 |
| * Fidelity Freedom 2040 Fund | 8,403.754 | 49,246 |

Loan Fund

| | | |
|---------------------|--|--------|
| * Participant loans | | 52,471 |
|---------------------|--|--------|

\$ 813,013

* Indicates party-in-interest.

The accompanying notes to financial statements
are an integral part of this schedule.

Schedule I

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Westinghouse Air Brake Technologies Corporation

By /s/ Scott E. Wahlstrom

Scott E. Wahlstrom
Vice President, Human Resources and
Plan Administrator of the Westinghouse Air
Brake Technologies Corporation Savings Plan
for Hourly Employees

June 29, 2003

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CERTIFICATION

Pursuant to 18 U.S.C. ss. 1350, the undersigned officers of the Westinghouse Air Brake Technologies Corporation Savings Plan for Hourly Employees of Westinghouse Air Brake Technologies Corporation (the "Plan"), hereby certify, to the best of their knowledge, that the Plan's Annual Report on Form 11-K for the year ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Plan.

By: /s/ GREGORY T. H. DAVIES

Gregory T. H. Davies
President & Chief Executive Officer

Date: June 29, 2003

By: /s/ SCOTT E. WAHLSTROM

Scott E. Wahlstrom
Vice President, Human Resources and
Plan Administrator of the Westinghouse
Air Brake Technologies Corporation
Savings Plan for Hourly Employees

Date: June 29, 2003