

**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): July 24, 2018 (July 24, 2018)

**WESTINGHOUSE AIR BRAKE
TECHNOLOGIES CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

Delaware
**(State or other Jurisdiction
of Incorporation)**

033-90866
**(Commission
File No.)**
1001 Air Brake Avenue
Wilmerding, Pennsylvania
(Address of Principal Executive Offices)

25-1615902
**(I.R.S. Employer
Identification No.)**

15148
(Zip Code)

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

Not Applicable
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On July 24, 2018, Westinghouse Air Brake Technologies Corporation (the “Company”) issued a press release reporting, among other things, the Company’s 2018 second quarter results. A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 2.02 by reference.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 2.02 in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01. Regulation FD Disclosure.

On July 24, 2018, the Company issued a press release which, among other things, increased previously provided earnings guidance for fiscal year 2018. A copy of the press release is attached to this report as Exhibit 99.1 and the paragraph under the heading “2018 Guidance Affirmed” which discusses 2018 guidance is incorporated into this Item 7.01 by reference.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 7.01 in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibit.

The following exhibit is furnished with this report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated July 24, 2018

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WESTINGHOUSE AIR BRAKE
TECHNOLOGIES CORPORATION

By: /s/ Patrick D. Dugan

Patrick D. Dugan
Executive Vice President and Chief
Financial Officer

Date: July 24, 2018



Wabtec Reports 2Q Results, Increases Guidance

WILMERDING, PA, July 24, 2018 – Wabtec Corporation (NYSE: WAB) today reported second quarter results and increased its full-year guidance for revenues and earnings per diluted share.

2018 Second Quarter Consolidated Results

- Sales were \$1.1 billion, a 19 percent increase compared to the year-ago quarter. Compared to the year-ago quarter, organic sales increased \$105 million; acquisitions increased sales \$39 million; and changes in foreign currency exchange rates increased sales by \$35 million, mainly in our Transit segment.
- Income from operations was \$124 million, including expenses of \$9 million related to the proposed GE Transportation merger, \$4 million for restructuring and \$4 million for a tax law change in India. SG&A expenses increased mainly due to those expenses, changes in foreign currency exchange rates and acquisitions. Excluding those items, income from operations was \$141 million, or 12.6 percent of sales (see reconciliation table).
- Net interest expense was \$32 million, including \$12 million of financing costs related to the proposed GE Transportation merger. Net interest expense in the prior-year quarter included a \$2 million benefit related to the prepayment of debt assumed in the Faiveley Transport acquisition.
- Other income was \$2 million, mainly due to higher income from minority investments.
- Income tax expense was \$11 million for an effective tax rate of 11.2 percent, compared to 25.4 percent in the year-ago quarter. The 2018 quarter included a benefit of \$13 million from the reduction of the estimated transition tax charge that was initially recorded in the fourth quarter of 2017 due to the 2017 U.S. tax reform act.
- GAAP earnings per diluted share were 87 cents including expenses for the proposed GE Transportation merger and other restructuring actions, and the effects of tax law changes in the U.S. and India, all of which reduced EPS by a net of 9 cents. Excluding those items, adjusted EPS was 96 cents. GAAP EPS in the 2017 second quarter was 75 cents including restructuring and Faiveley Transport transaction expenses, which reduced EPS by a net of 5 cents.

2018 Second Quarter Segment Results

- In the Transit segment, sales increased 19 percent and income from operations decreased 2 percent compared to the year-ago second quarter. Transit sales increased by \$112 million; the increase resulted from organic sales growth of \$51 million, changes in foreign currency exchange rates of \$33 million and acquisitions of \$28 million. Income from operations was \$58 million, or 8.3 percent of sales, including \$6 million of expenses for restructuring and the Indian tax law change. Income from operations was lower than the year-ago quarter mainly due to those expenses and revenues from lower-margin contracts in the U.K.
- In the Freight segment, sales increased 20 percent and income from operations increased 34 percent compared to the year-ago second quarter. Freight sales increased by \$67 million; the increase resulted from organic sales growth of \$54 million, changes in foreign currency exchange rates of \$3 million and acquisitions of \$11 million. Income from operations was \$84 million, or 20.5 percent of sales, including \$2 million of expenses for restructuring. Income from operations was higher than the year-ago quarter due to increased sales and an improved product mix.

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Cash Flow Summary

- The company generated cash from operations of \$44 million in the second quarter compared to \$12 million in the year-ago quarter. During the quarter, the company incurred \$19 million of cash costs for the proposed GE Transportation merger and other restructuring actions. The increase in cash from operations compared to the year-ago quarter resulted from improved working capital performance and higher net income in the 2018 second quarter.
- At June 30, the company had cash of \$246 million and debt of \$1.9 billion. Total debt was 2 percent lower than at the end of the first quarter of 2018.

Backlog and Other Information

- During the quarter, the company's total, multi-year backlog was \$4.7 billion, slightly higher than at the end of the first quarter excluding changes in foreign currency exchange rates. The company's 12-month backlog, a subset of the total, was \$2.5 billion.
- Recent new orders included projects in all major markets around the world and in all major product categories, including train control hardware and services, components for freight cars in the U.S., and a long-term aftermarket services agreement with SNCF in France.

2018 Guidance Increased

Based on its first-half results and full-year forecast, Wabtec increased its guidance for the year, with revenues now expected to be about \$4.2 billion and EPS expected to be about \$3.85 excluding estimated costs related to the proposed GE Transportation merger, expenses for restructuring and the effects of tax law changes. The company's adjusted operating margin target for the full year is about 13.5 percent, and its effective tax rate for the full year is expected to be about 24 percent excluding the second quarter tax benefit. For the year, Wabtec expects cash flow from operations to exceed net income.

Raymond T. Betler, Wabtec's president and chief executive officer, said: "Our second-quarter results were on target, and with a strong backlog and the positive indicators we see in our markets we're comfortable increasing our guidance for the year. Our freight business demonstrated strong growth in revenues and income from operations, and we expect demand to continue to improve. In transit, as expected we are managing through some lower-margin contracts in the short term while making long-term improvements in the core business. Overall, we're pleased with our year-to-date performance, excited about the opportunities we see from our combination with GE Transportation and confident we can deliver improved earnings, margins and cash flow in the future."

Update on GE Transportation Merger

During the second quarter, Wabtec entered into a definitive agreement to merge with GE Transportation, a unit of General Electric Company (NYSE: GE), and completed financing arrangements for the merger. The combination will make Wabtec a Fortune 500, global transportation leader in rail equipment, software and services, with operations in more than 50 countries and is expected to be completed in early 2019, subject to customary closing conditions, approval by Wabtec shareholders, and regulatory approvals.

Wabtec's financing arrangements include syndication of a \$2.5 billion senior unsecured bridge commitment and \$400 million senior unsecured delayed draw term loan to fund the cash portion of the merger. The new arrangements provide that the bridge commitment will be reduced by any alternative financing that Wabtec arranges prior to closing, which may include additional loans or long-term notes. Also during the quarter, the company refinanced an existing revolving credit facility with a \$1.2 billion senior unsecured revolver with a five-year term, and refinanced an existing \$350 million senior unsecured term loan with a three-year term loan.

Wabtec and GE have each received a request for additional information ("second request") from the United States Department of Justice ("DOJ"). The second request is a standard part of the regulatory

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review process under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”). The effect of the second request is to extend the waiting period imposed by the HSR Act until 30 days after Wabtec and GE have substantially complied with their respective request, unless that period is extended voluntarily by both parties or terminated sooner by the DOJ. Wabtec and GE will continue to cooperate fully with the DOJ as it reviews the proposed transaction. In addition to the expiration of the waiting period under the HSR Act, the transaction remains subject to other regulatory approvals, as well as other customary closing conditions.

Wabtec Corporation (www.wabtec.com) is a leading global provider of equipment, systems and value-added services for transit and freight rail. 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. The company has facilities located throughout the world.

This release contains forward-looking statements, such as statements regarding the company’s expectations about future sales and earnings. 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, an economic slowdown in the markets we serve; changes in the expected timing and profitability of projects; a decrease in freight or passenger rail traffic; an increase in manufacturing costs; and other factors contained in the company’s filings with the Securities and Exchange Commission. The company assumes no obligation to update these statements or advise of changes in the assumptions on which they are based.

Wabtec will host a call with analysts and investors at 10 a.m., eastern time, today. To listen via webcast, go to www.wabtec.com and click on “Webcasts” in the “Investor Relations” section.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the proposed transaction between General Electric Company (“GE”) and Wabtec, Transportation Systems Holdings Inc., a newly formed wholly owned subsidiary of GE (“SpinCo”), will file with the U.S. Securities and Exchange Commission (the “SEC”) a registration statement on Form S-4/S-1 containing a prospectus or a registration statement on Form 10 and Wabtec will file with the SEC a registration statement on Form S-4 that will include a combined proxy statement/prospectus. If the transaction is effected via an exchange offer, GE will also file with the SEC a Schedule TO with respect thereto. This communication is not a substitute for any proxy statement, registration statement, proxy statement/prospectus or other documents GE, Wabtec and/or SpinCo may file with the SEC in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THESE DOCUMENTS WHEN THEY BECOME AVAILABLE, ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, AND OTHER DOCUMENTS FILED BY GE, WABTEC OR SPINCO WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION, BECAUSE THESE DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of these materials and other documents filed with the SEC by GE, Wabtec and/or SpinCo through the website maintained by the SEC at www.sec.gov. Investors and security holders will also be able to obtain free copies of the documents filed by GE, Wabtec and/or SpinCo with the SEC from the respective companies by directing a written request to GE and/or SpinCo at General Electric Company, 41 Farnsworth Street, Boston, Massachusetts 02210 or by calling 617-443-3400, or to Wabtec at Wabtec Corporation, 1001 Air Brake Avenue, Wilmerding, PA 15148 or by calling 412-825-1543.

NO OFFER OR SOLICITATION

This communication is for informational purposes only and not intended to and does not constitute an offer to subscribe for, buy or sell, the solicitation of an offer to subscribe for, buy or sell, or an invitation to subscribe for, buy or sell, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus

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meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

PARTICIPANTS IN THE SOLICITATION

This communication is not a solicitation of a proxy from any investor or security holder. GE, Wabtec, SpinCo, their respective directors, executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies from shareholders of Wabtec in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of proxies in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the relevant materials when filed with the SEC. Information regarding the directors and executive officers of GE is contained in GE's proxy statement for its 2018 annual meeting of stockholders, filed with the SEC on March 12, 2018, its Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the SEC on February 23, 2018, its Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which was filed with the SEC on May 1, 2018 and certain of its Current Reports filed on Form 8-K. Information regarding the directors and executive officers of Wabtec is contained in Wabtec's proxy statement for its 2018 annual meeting of stockholders, filed with the SEC on April 5, 2018, its Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the SEC on February 26, 2018, its Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 which was filed with the SEC on May 4, 2018 and certain of its Current Reports filed on Form 8-K. These documents can be obtained free of charge from the sources indicated above.

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WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018 AND 2017
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Second Quarter 2018	Second Quarter 2017	For the Six Months 2018	For the Six Months 2017
Net sales	\$ 1,111,680	\$ 932,253	\$ 2,167,857	\$ 1,848,287
Cost of sales	(787,713)	(658,290)	(1,533,009)	(1,304,617)
Gross profit	323,967	273,963	634,848	543,670
<i>Gross profit as a % of Net Sales</i>	29.1%	29.4%	29.3%	29.4%
Selling, general and administrative expenses	(171,157)	(127,918)	(318,358)	(250,605)
Engineering expenses	(19,388)	(23,338)	(41,437)	(46,802)
Amortization expense	(9,899)	(9,350)	(20,251)	(18,394)
Total operating expenses	(200,444)	(160,606)	(380,046)	(315,801)
<i>Operating expenses as a % of Net Sales</i>	18.0%	17.2%	17.5%	17.1%
Income from operations	123,523	113,357	254,802	227,869
<i>Income from operations as a % of Net Sales</i>	11.1%	12.2%	11.8%	12.3%
Interest expense, net	(31,920)	(17,564)	(52,204)	(37,422)
Other (expense) income, net	2,171	936	4,757	5,747
Income from operations before income taxes	93,774	96,729	207,355	196,194
Income tax expense	(10,503)	(24,569)	(36,627)	(52,030)
<i>Effective tax rate</i>	11.2%	25.4%	17.7%	26.5%
Net Income	83,271	72,160	170,728	144,164
Less: Net Loss (Gain) attributable to noncontrolling interest	1,145	(135)	2,054	1,750
Net income attributable to Wabtec shareholders	<u>\$ 84,416</u>	<u>\$ 72,025</u>	<u>\$ 172,782</u>	<u>\$ 145,914</u>
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	<u>\$ 0.88</u>	<u>\$ 0.75</u>	<u>\$ 1.80</u>	<u>\$ 1.52</u>
Diluted				
Net income attributable to Wabtec shareholders	<u>\$ 0.87</u>	<u>\$ 0.75</u>	<u>\$ 1.79</u>	<u>\$ 1.52</u>
Weighted average shares outstanding				
Basic	<u>95,992</u>	<u>95,641</u>	<u>95,867</u>	<u>95,370</u>
Diluted	<u>96,575</u>	<u>96,284</u>	<u>96,471</u>	<u>96,071</u>
Segment Information				
Freight Net Sales	\$ 412,258	\$ 344,828	\$ 791,812	\$ 692,774
Freight Income from Operations	\$ 84,347	\$ 63,165	\$ 153,970	\$ 134,387
Freight Operating Margin	20.5%	18.3%	19.4%	19.4%
Transit Net Sales	\$ 699,422	\$ 587,425	\$ 1,376,045	\$ 1,155,513
Transit Income from Operations	\$ 57,975	\$ 59,050	\$ 126,059	\$ 108,025
Transit Operating Margin	8.3%	10.1%	9.2%	9.3%
Backlog Information (Note: 12-month is a sub-set of total)				
	June 30, 2018	March 31, 2018		
Freight Total	\$ 649,268	\$ 631,558		
Transit Total	4,011,993	4,265,552		
Wabtec Total	<u>\$ 4,661,261</u>	<u>\$ 4,897,110</u>		
Freight 12-Month	\$ 464,295	\$ 501,374		
Transit 12-Month	2,044,437	1,976,307		
Wabtec 12-Month	<u>\$ 2,508,732</u>	<u>\$ 2,477,681</u>		

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	Unaudited June 30, 2018	December 31, 2017
<i>In thousands</i>		
Cash and cash equivalents	\$ 245,574	\$ 233,401
Receivables, net	1,213,234	1,166,787
Inventories	863,793	742,634
Current assets - other	124,286	122,291
Total current assets	2,446,887	2,265,113
Property, plant and equipment, net	555,834	573,972
Goodwill	2,428,591	2,460,103
Other intangibles, net	1,174,400	1,204,432
Other long term assets	71,894	76,360
Total assets	\$ 6,677,606	\$ 6,579,980
Current liabilities	\$ 1,606,468	\$ 1,573,330
Long-term debt	1,857,806	1,823,303
Long-term liabilities - other	338,704	354,815
Total liabilities	3,802,978	3,751,448
Shareholders' equity	2,857,280	2,808,868
Non-controlling interest	17,348	19,664
Total shareholders' equity	\$ 2,874,628	\$ 2,828,532
Total Liabilities and Shareholders' Equity	\$ 6,677,606	\$ 6,579,980

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In thousands</i>	Unaudited	
	Six Months Ended June 30, 2018	2017
Net cash provided by (used in) operating activities	\$ 67,904	\$ (13,703)
Net cash used in investing activities	(69,100)	(884,629)
Net cash provided by financing activities	22,764	41,590
Effect of changes in currency exchange rates	(9,395)	42,032
Increase (decrease) in cash	12,173	(814,710)
Cash, beginning of period	233,401	1,143,232
Cash, end of period	<u>\$245,574</u>	<u>\$ 328,522</u>