

Notes to Consolidated Financial Statements

Note D – Earnings Per Share

The following tables summarize EMCOR's calculation of Basic and Diluted Earnings per Share ("EPS") for the years ended December 31, 2000, 1999 and 1998:

2000	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic EPS			
Income available to common stockholders	\$ 40,089,000	10,440,089	\$ 3.84
Effect of Dilutive Securities:			
Convertible Subordinated Notes, including assumed interest savings, net of tax	3,967,500	4,206,291	
Options	–	297,306	
Warrants	–	–	
Diluted EPS	\$ 44,056,500	14,943,686	\$ 2.95
1999	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic EPS			
Income available to common stockholders	\$ 27,821,000	9,732,930	\$ 2.86
Effect of Dilutive Securities:			
Convertible Subordinated Notes including assumed interest savings, net of tax	4,099,750	4,206,291	
Options	–	245,893	
Warrants	–	259,708	
Diluted EPS	\$ 31,920,750	14,444,822	\$ 2.21
1998	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic EPS			
Income before extraordinary item available to common stockholders	\$ 17,092,000	10,232,527	\$ 1.67
Effect of Dilutive Securities:			
Convertible Subordinated Notes including assumed interest savings, net of tax	2,785,000	2,952,672	
Options	–	215,531	
Warrants	–	228,995	
Diluted EPS	\$ 19,877,000	13,629,725	\$ 1.46

The number of EMCOR's options granted, which were excluded from the computation of Diluted EPS for the years ended December 31, 2000, 1999 and 1998 because they would be antidilutive, were 26,325, 211,720 and 306,785, respectively.

Note E – Current Debt

1998 Credit Facility

On December 22, 1998, EMCOR and certain of its subsidiaries amended and restated its June 19, 1996 credit facility; the amended credit facility provides EMCOR with a credit facility for borrowings of up to \$150.0 million. The amended credit facility, which has an expiration date of June 30, 2002, is guaranteed by certain direct and indirect subsidiaries of EMCOR. It is secured by substantially all of the assets of EMCOR and those subsidiaries, and it provides for borrowing capacity available in the form of revolving loans and/or letters of credit. The amended credit facility contains various covenants, including among other things, maintenance of certain financial ratios, and significant restrictions with respect to

cumulative aggregate payments for dividends, common stock repurchases, investments, acquisitions, indebtedness, capital expenditures, and prepayments of subordinated debt, all as defined therein. The revolving loans bear interest at (1) a rate which is the prime commercial lending rate announced by Harris Trust and Savings Bank from time to time (9.5% at December 31, 2000) plus 0% to 0.5%, based on certain financial tests or (2) a LIBOR rate (6.3% at December 31, 2000) plus 1.25% to 2.0% based on certain financial tests. The interest rates in effect at December 31, 2000 were 9.5% and 7.6%, respectively. Letters of credit fees issued under the credit facility ranging from 0.5% to 2.0% are charged based on type of letters of credit issued and certain financial tests.