

## **Wabtec Reports 3Q EPS of 55 Cents; Company Also Increases 2007 Guidance**

WILMERTING, PA, October 24, 2007 – Wabtec Corporation (NYSE: WAB) today reported its 2007 third quarter results, including the following highlights:

- Earnings per diluted share were 55 cents compared to 35 cents in the year-ago quarter, the company's 14<sup>th</sup> consecutive quarterly earnings increase. The year-ago quarter included a restructuring charge of 9 cents per diluted share.
- Third quarter sales increased 32 percent to a record \$355 million, reflecting strong growth in the Transit Group and continued execution of the company's growth strategies.
- Income from operations increased to \$46 million, or 12.9 percent of sales, due to benefits from the Wabtec Performance System and operating leverage from higher sales. Excluding restructuring and other charges of \$2.7 million in the quarter, income from operations was 13.6 percent of sales. In the year-ago quarter, income from operations was 9.5 percent of sales, or 12 percent of sales excluding the restructuring charge.

Based on its 2007 third quarter results and outlook for the rest of the year, Wabtec now expects 2007 sales growth of between 22-24 percent and earnings per diluted share of about \$2.20. Previously, the company expected sales growth of 16-18 percent and earnings per diluted share of about \$2.15.

Albert J. Neupaver, Wabtec's president and chief executive officer, said: "The company continued its strong performance in the third quarter, with sales and earnings growth, solid operating margins and good cash generation. We're focused on using our Wabtec Performance System to drive continuous operational improvements and implementing the company's strategic growth initiatives: global and market expansion, new products, aftermarket expansion and acquisitions. Our diversified business model continues to position the company to take advantage of growth opportunities and to deliver strong financial results in the future."

Wabtec Corporation ([www.wabtec.com](http://www.wabtec.com)) is a global provider of value-added, technology-based products and services for the freight rail and passenger transit industry. Through its subsidiaries, the company manufactures a range of products for locomotives, freight cars, subway cars and buses. The company also builds new switcher and commuter locomotives, and provides aftermarket services.

This release contains forward-looking statements, such as statements regarding the company's expectations about future 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, a slowdown in the North American economy; a decrease in freight or passenger rail traffic; an increase in manufacturing costs; and other factors contained in the company's regulatory filings, which are herein incorporated by reference. The company assumes no obligation to update these statements or advise of changes in the assumptions on which they are based.

**The company will conduct a conference call with analysts and investors at 10 a.m., eastern time, today. To listen to the call via webcast, please go to [www.wabtec.com](http://www.wabtec.com) and click on the "Webcasts" tab in the "Investor Relations" section.**

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**WABTEC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006**  
**(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	Third Quarter <u>2007</u>	Third Quarter <u>2006</u>	For the Nine Months <u>2007</u>	For the Nine Months <u>2006</u>
Net sales	\$ 354,834	\$ 268,889	\$ 994,820	\$ 793,200
Cost of sales	<u>(259,117)</u>	<u>(202,691)</u>	<u>(721,687)</u>	<u>(574,920)</u>
Gross profit	95,717	66,198	273,133	218,280
<i>Gross profit as a % of Net Sales</i>	27.0%	24.6%	27.5%	27.5%
Selling, general and administrative expenses	(39,679)	(31,294)	(109,539)	(97,842)
Engineering expenses	(9,237)	(8,068)	(27,079)	(24,206)
Amortization expense	<u>(1,157)</u>	<u>(1,354)</u>	<u>(2,985)</u>	<u>(3,065)</u>
Total operating expenses	(50,073)	(40,716)	(139,603)	(125,113)
<i>SGA as a % of Net Sales</i>	11.2%	11.6%	11.0%	12.3%
<i>Operating expenses as a % of Net Sales</i>	14.1%	15.1%	14.0%	15.8%
Income from operations	45,644	25,482	133,530	93,167
<i>Income from operations as a % of Net Sales</i>	12.9%	9.5%	13.4%	11.7%
Interest income (expense), net	(1,289)	196	(2,463)	(1,348)
Other income (expense), net	<u>(927)</u>	<u>(146)</u>	<u>(3,373)</u>	<u>(1,308)</u>
Income from continuing operations before income taxes	43,428	25,532	127,694	90,511
Income tax expense	<u>(16,668)</u>	<u>(7,791)</u>	<u>(47,255)</u>	<u>(30,920)</u>
<i>Effective tax rate</i>	38.4%	30.5%	37.0%	34.2%
Income from continuing operations	26,760	17,741	80,439	59,591
Discontinued operations				
Income (loss) from discontinued operations (net of tax)	<u>482</u>	<u>(370)</u>	<u>455</u>	<u>(1,029)</u>
Net income	<u>\$ 27,242</u>	<u>\$ 17,371</u>	<u>\$ 80,894</u>	<u>\$ 58,562</u>
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Income from continuing operations	\$ 0.55	\$ 0.36	\$ 1.66	\$ 1.23
Income (loss) from discontinued operations	0.01	-	0.01	(0.02)
Net income	\$ 0.56	\$ 0.36	\$ 1.67	\$ 1.21
<b>Diluted</b>				
Income from continuing operations	\$ 0.54	\$ 0.36	\$ 1.64	\$ 1.22
Income (loss) from discontinued operations	0.01	(0.01)	0.01	(0.02)
Net income	\$ 0.55	\$ 0.35	\$ 1.65	\$ 1.20
Weighted average shares outstanding				
Basic	<u>48,736</u>	<u>48,689</u>	<u>48,488</u>	<u>48,309</u>
Diluted	<u>49,381</u>	<u>49,293</u>	<u>49,100</u>	<u>48,905</u>
<b>Sales by Segment</b>				
Freight Group	\$ 182,698	\$ 173,874	\$ 548,351	\$ 534,859
Transit Group	<u>172,136</u>	<u>95,015</u>	<u>446,469</u>	<u>258,341</u>
Total	<u>\$ 354,834</u>	<u>\$ 268,889</u>	<u>\$ 994,820</u>	<u>\$ 793,200</u>