

Wabtec Reports Record Quarterly Results; 3Q EPS of 93 Cents, Up 22 Percent; Increases Full-Year EPS Guidance

WILMERDING, PA, Oct. 28, 2014 – Wabtec Corporation (NYSE: WAB) today reported record results for the 2014 third quarter, including the following:

- Third quarter sales were a record \$797 million, 26 percent higher than the year-ago quarter, with about half of the growth due to acquisitions. Income from operations was a record \$136 million, or 17.1 percent of sales. Earnings per diluted share were a record 93 cents, which was 22 percent higher than the year-ago quarter.
- Cash flow from operations in the quarter was \$93 million, or 12 percent of sales, exceeding net income of \$90 million. At Sept. 30, 2014, the company had cash of \$213 million and debt of \$522 million. During the quarter, the company repurchased 124,600 shares of company stock for \$10 million.
- Total, multi-year backlog increased to a record \$2.18 billion, mainly due to new contracts for locomotive overhauls, freight car components and signaling projects; and acquisitions.

Based on Wabtec's year-to-date results and outlook for the rest of the year, the company increased its 2014 guidance for earnings per diluted share to \$3.58-\$3.62, with revenues expected to be up about 18 percent for the year.

Albert J. Neupaver, Wabtec's executive chairman, said: "The company continued to perform well in the quarter and we are optimistic about our future opportunities as we execute our growth strategies and internal improvement initiatives. As always, we expect to benefit from our diverse business model, the power of our Wabtec Performance System, and global investment in transportation and infrastructure."

Raymond T. Betler, Wabtec's president and chief executive officer, said: "During the quarter we acquired Dia-Frag, a friction products manufacturer, and C2CE, which provides signal design and engineering services. The companies fit our growth criteria and integration efforts are well underway."

Wabtec Corporation (www.wabtec.com) is a global provider of value-added, technology-based products and services for rail and other industrial markets.

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, an economic slowdown in the markets we serve; 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, go to 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, 2014 AND 2013
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA,
(UNAUDITED))

	Third Quarter <u>2014</u>	Third Quarter <u>2013</u>	For the Nine Months <u>2014</u>	For the Nine Months <u>2013</u>
Net sales	\$ 797,271	\$ 631,398	\$ 2,223,588	\$ 1,884,910
Cost of sales	<u>(549,813)</u>	<u>(443,265)</u>	<u>(1,541,903)</u>	<u>(1,321,008)</u>
Gross profit	247,458	188,133	681,685	563,902
<i>Gross profit as a % of Net Sales</i>	31.0%	29.8%	30.7%	29.9%
Selling, general and administrative expenses	(88,359)	(63,402)	(231,422)	(191,576)
Engineering expenses	(16,391)	(10,921)	(43,558)	(33,535)
Amortization expense	<u>(6,731)</u>	<u>(3,939)</u>	<u>(16,559)</u>	<u>(12,699)</u>
Total operating expenses	(111,481)	(78,262)	(291,539)	(237,810)
<i>Operating expenses as a % of Net Sales</i>	14.0%	12.4%	13.1%	12.6%
Income from operations	135,977	109,871	390,146	326,092
<i>Income from operations as a % of Net Sales</i>	17.1%	17.4%	17.5%	17.3%
Interest (expense) income, net	(4,594)	(3,829)	(13,569)	(10,714)
Other income (expense), net	<u>(154)</u>	<u>(1,658)</u>	<u>72</u>	<u>(1,833)</u>
Income from operations before income taxes	131,229	104,384	376,649	313,545
Income tax expense	<u>(41,074)</u>	<u>(30,441)</u>	<u>(117,655)</u>	<u>(95,351)</u>
<i>Effective tax rate</i>	31.3%	29.2%	31.2%	30.4%
Net income attributable to Wabtec shareholders	<u>\$ 90,155</u>	<u>\$ 73,943</u>	<u>\$ 258,994</u>	<u>\$ 218,194</u>
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 0.94	\$ 0.77	\$ 2.69	\$ 2.28
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.93	\$ 0.76	\$ 2.67	\$ 2.25
Weighted average shares outstanding				
Basic	<u>95,935</u>	<u>95,848</u>	<u>95,745</u>	<u>95,383</u>
Diluted	<u>97,004</u>	<u>97,174</u>	<u>96,834</u>	<u>96,754</u>
Sales by Segment				
Freight Group	\$ 453,329	\$ 340,533	\$ 1,250,337	\$ 1,009,069
Transit Group	<u>343,942</u>	<u>290,865</u>	<u>\$ 973,251</u>	<u>\$ 875,841</u>
Total	<u>\$ 797,271</u>	<u>\$ 631,398</u>	<u>\$ 2,223,588</u>	<u>\$ 1,884,910</u>