

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2017 AND 2016
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Fourth Quarter <u>2017</u>	Fourth Quarter <u>2016</u>	For the Year Ended <u>2017</u>	For the Year Ended <u>2016</u>
Net sales	\$ 1,075,538	\$ 759,982	\$ 3,881,756	\$ 2,931,188
Cost of sales	<u>(807,098)</u>	<u>(540,793)</u>	<u>(2,816,443)</u>	<u>(2,006,949)</u>
Gross profit	268,440	219,189	1,065,313	924,239
<i>Gross profit as a % of Net Sales</i>	25.0%	28.8%	27.4%	31.5%
Selling, general and administrative expenses	(144,145)	(130,687)	(511,898)	(371,805)
Engineering expenses	(23,655)	(19,104)	(95,166)	(71,375)
Amortization expense	<u>(9,477)</u>	<u>(6,598)</u>	<u>(36,516)</u>	<u>(22,698)</u>
Total operating expenses	(177,277)	(156,389)	(643,580)	(465,878)
<i>Operating expenses as a % of Net Sales</i>	16.5%	20.6%	16.6%	15.9%
Income from operations	91,163	62,800	421,733	458,361
<i>Income from operations as a % of Net Sales</i>	8.5%	8.3%	10.9%	15.6%
Interest expense, net	(17,679)	(26,664)	(68,704)	(42,561)
Other (expense) income, net	<u>1,200</u>	<u>(3,076)</u>	<u>(966)</u>	<u>(2,963)</u>
Income from operations before income taxes	74,684	33,060	352,063	412,837
Income tax expense	<u>(24,997)</u>	<u>13,268</u>	<u>(89,773)</u>	<u>(99,433)</u>
<i>Effective tax rate</i>	33.5%	-40.1%	25.5%	24.1%
Net Income	49,687	46,328	262,290	313,404
Less: Net (Gain) Loss attributable to noncontrolling interest	<u>(739)</u>	<u>(8,517)</u>	<u>(29)</u>	<u>(8,517)</u>
Net income attributable to Wabtec shareholders	<u>\$ 48,948</u>	<u>\$ 37,811</u>	<u>\$ 262,261</u>	<u>\$ 304,887</u>
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	<u>\$ 0.51</u>	<u>\$ 0.42</u>	<u>\$ 2.74</u>	<u>\$ 3.37</u>
Diluted				
Net income attributable to Wabtec shareholders	<u>\$ 0.51</u>	<u>\$ 0.42</u>	<u>\$ 2.72</u>	<u>\$ 3.34</u>
Weighted average shares outstanding				
Basic	<u>95,714</u>	<u>89,445</u>	<u>95,453</u>	<u>90,359</u>
Diluted	<u>96,368</u>	<u>90,228</u>	<u>96,125</u>	<u>91,141</u>
Segment Information				
Freight Net Sales	\$ 363,629	\$ 341,364	\$ 1,396,588	\$ 1,543,098
Freight Income from Operations	\$ 68,275	\$ 67,465	\$ 264,603	\$ 344,455
Freight Operating Margin	18.8%	19.8%	18.9%	22.3%
Transit Net Sales	\$ 711,909	\$ 418,618	\$ 2,485,168	\$ 1,388,090
Transit Income from Operations	\$ 32,645	\$ 23,125	\$ 188,546	\$ 171,446
Transit Operating Margin	4.6%	5.5%	7.6%	12.4%
Backlog Information (Note: 12-month is a sub-set of total)				
	<u>December 31, 2017</u>	<u>September 30, 2017</u>		
Freight Total	\$ 549,188	\$ 610,686		
Transit Total	<u>\$ 4,050,460</u>	<u>\$ 3,920,280</u>		
Wabtec Total	<u>\$ 4,599,648</u>	<u>\$ 4,530,966</u>		
Freight 12-Month	\$ 423,805	\$ 419,659		
Transit 12-Month	<u>\$ 1,891,079</u>	<u>\$ 1,822,208</u>		
Wabtec 12-Month	<u>\$ 2,314,884</u>	<u>\$ 2,241,867</u>		

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	Unaudited	December 31, 2016
<u><i>In thousands</i></u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Cash and cash equivalents	\$ 233,401	\$ 398,484
Receivables, net	1,166,787	942,508
Inventories	742,634	658,510
Current assets - other	122,291	868,129
Total current assets	<u>2,265,113</u>	<u>2,867,631</u>
Property, plant and equipment, net	573,972	518,376
Goodwill	2,460,103	2,078,765
Other intangibles, net	1,204,432	1,053,860
Other long term assets	76,360	62,386
Total assets	<u>\$ 6,579,980</u>	<u>\$ 6,581,018</u>
Current liabilities	\$ 1,573,330	\$ 1,446,639
Long-term debt	1,823,303	1,762,967
Long-term liabilities - other	354,815	394,587
Total liabilities	<u>3,751,448</u>	<u>3,604,193</u>
Shareholders' equity	2,808,868	2,205,977
Non-controlling interest	19,664	770,848
Total shareholders' equity	<u>\$ 2,828,532</u>	<u>\$ 2,976,825</u>
Total Liabilities and Shareholders' Equity	<u>\$ 6,579,980</u>	<u>\$ 6,581,018</u>

