

WABTEC CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	First Quarter <u>2017</u>	First Quarter <u>2016</u>
Net sales	\$ 916,034	\$ 772,031
Cost of sales	<u>(646,327)</u>	<u>(516,851)</u>
Gross profit	269,707	255,180
<i>Gross profit as a % of Net Sales</i>	29.4%	33.1%
Selling, general and administrative expenses	(122,341)	(89,751)
Engineering expenses	(23,464)	(17,953)
Amortization expense	<u>(9,044)</u>	<u>(5,295)</u>
Total operating expenses	(154,849)	(112,999)
<i>Operating expenses as a % of Net Sales</i>	16.9%	14.6%
Income from operations	114,858	142,181
<i>Income from operations as a % of Net Sales</i>	12.5%	18.4%
Interest expense, net	(17,712)	(4,871)
Other income(expense), net	<u>2,319</u>	<u>154</u>
Income from operations before income taxes	99,465	137,464
Income tax benefit (expense)	<u>(27,461)</u>	<u>(43,301)</u>
<i>Effective tax rate</i>	27.6%	31.5%
Net Income	72,004	94,163
Less: Net income attributable to noncontrolling interest	<u>1,885</u>	<u>-</u>
Net income attributable to Wabtec shareholders	<u>\$ 73,889</u>	<u>\$ 94,163</u>
Earnings Per Common Share		
Basic		
Net income attributable to Wabtec shareholders	<u>\$ 0.77</u>	<u>\$ 1.03</u>
Diluted		
Net income attributable to Wabtec shareholders	<u>\$ 0.77</u>	<u>\$ 1.02</u>
Weighted average shares outstanding		
Basic	<u>95,243</u>	<u>91,258</u>
Diluted	<u>95,991</u>	<u>92,149</u>
Net Sales by Segment		
Freight Group	\$ 347,946	\$ 442,669
Transit Group	568,088	329,362
Total	<u>\$ 916,034</u>	<u>\$ 772,031</u>