

WABTEC CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Third Quarter <u>2013</u>	Third Quarter <u>2012</u>	For the Nine Months Ended <u>2013</u>	For the Nine Months Ended <u>2012</u>
Net sales	\$ 631,398	\$ 587,593	\$ 1,884,910	\$ 1,780,722
Cost of sales	<u>(443,265)</u>	<u>(416,314)</u>	<u>(1,321,008)</u>	<u>(1,266,635)</u>
Gross profit	188,133	171,279	563,902	514,087
<i>Gross profit as a % of Net Sales</i>	29.8%	29.1%	29.9%	28.9%
Selling, general and administrative expenses	(63,402)	(59,743)	(191,576)	(180,935)
Engineering expenses	(10,921)	(10,753)	(33,535)	(31,047)
Amortization expense	<u>(3,939)</u>	<u>(3,941)</u>	<u>(12,699)</u>	<u>(10,288)</u>
Total operating expenses	(78,262)	(74,437)	(237,810)	(222,270)
<i>Operating expenses as a % of Net Sales</i>	12.4%	12.7%	12.6%	12.5%
Income from operations	109,871	96,842	326,092	291,817
<i>Income from operations as a % of Net Sales</i>	17.4%	16.5%	17.3%	16.4%
Interest expense, net	(3,829)	(3,070)	(10,714)	(10,303)
Other expense, net	<u>(1,658)</u>	<u>(1,393)</u>	<u>(1,833)</u>	<u>(1,284)</u>
Income from operations before income taxes	104,384	92,379	313,545	280,230
Income tax expense	<u>(30,441)</u>	<u>(29,385)</u>	<u>(95,351)</u>	<u>(93,263)</u>
<i>Effective tax rate</i>	29.2%	31.8%	30.4%	33.3%
Net income attributable to Wabtec shareholders	<u>\$ 73,943</u>	<u>\$ 62,994</u>	<u>\$ 218,194</u>	<u>\$ 186,967</u>
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 0.77	\$ 0.66	\$ 2.28	\$ 1.95
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.76	\$ 0.65	\$ 2.25	\$ 1.93
Weighted average shares outstanding				
Basic	<u>95,848</u>	<u>95,286</u>	<u>95,383</u>	<u>95,464</u>
Diluted	<u>97,174</u>	<u>96,542</u>	<u>96,754</u>	<u>96,720</u>
Sales by Segment				
Freight Group	\$ 340,533	\$ 354,659	\$ 1,009,069	\$ 1,159,653
Transit Group	<u>290,865</u>	<u>232,934</u>	<u>\$ 875,841</u>	<u>\$ 621,069</u>
Total	<u>\$ 631,398</u>	<u>\$ 587,593</u>	<u>\$ 1,884,910</u>	<u>\$ 1,780,722</u>