

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	First Quarter <u>2018</u>	First Quarter <u>2017</u>
Net sales	\$ 1,056,177	\$ 916,034
Cost of sales	<u>(745,296)</u>	<u>(646,327)</u>
Gross profit	310,881	269,707
<i>Gross profit as a % of Net Sales</i>	29.4%	29.4%
Selling, general and administrative expenses	(147,201)	(122,687)
Engineering expenses	(22,049)	(23,464)
Amortization expense	<u>(10,352)</u>	<u>(9,044)</u>
Total operating expenses	(179,602)	(155,195)
<i>Operating expenses as a % of Net Sales</i>	17.0%	16.9%
Income from operations	131,279	114,512
<i>Income from operations as a % of Net Sales</i>	12.4%	12.5%
Interest expense, net	(20,284)	(19,858)
Other (expense) income, net	<u>2,586</u>	<u>4,811</u>
Income from operations before income taxes	113,581	99,465
Income tax expense	<u>(26,124)</u>	<u>(27,461)</u>
<i>Effective tax rate</i>	23.0%	27.6%
Net Income	87,457	72,004
Less: Net (Gain) Loss attributable to noncontrolling interest	<u>909</u>	<u>1,885</u>
Net income attributable to Wabtec shareholders	<u>\$ 88,366</u>	<u>\$ 73,889</u>
Earnings Per Common Share		
Basic		
Net income attributable to Wabtec shareholders	<u>\$ 0.92</u>	<u>\$ 0.77</u>
Diluted		
Net income attributable to Wabtec shareholders	<u>\$ 0.92</u>	<u>\$ 0.77</u>
Weighted average shares outstanding		
Basic	<u>95,810</u>	<u>95,243</u>
Diluted	<u>96,371</u>	<u>95,991</u>
Segment Information		
Freight Net Sales	\$ 379,554	\$ 347,946
Freight Income from Operations	\$ 69,623	\$ 71,222
Freight Operating Margin	18.3%	20.5%
Transit Net Sales	\$ 676,623	\$ 568,088
Transit Income from Operations	\$ 68,084	\$ 48,975
Transit Operating Margin	10.1%	8.6%
Backlog Information (Note: 12-month is a sub-set of total)		
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Freight Total	\$ 631,558	\$ 549,188
Transit Total	\$ 4,265,552	\$ 4,050,460
Wabtec Total	<u>\$ 4,897,110</u>	<u>\$ 4,599,648</u>
Freight 12-Month	\$ 501,374	\$ 423,805
Transit 12-Month	\$ 1,976,307	\$ 1,891,079
Wabtec 12-Month	<u>\$ 2,477,681</u>	<u>\$ 2,314,884</u>

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

<i><u>In thousands</u></i>	Unaudited March 31, 2018	December 31, 2017
Cash and cash equivalents	\$ 249,886	\$ 233,401
Receivables, net	1,268,697	1,166,787
Inventories	829,276	742,634
Current assets - other	<u>117,955</u>	<u>122,291</u>
Total current assets	2,465,814	2,265,113
Property, plant and equipment, net	573,401	573,972
Goodwill	2,528,819	2,460,103
Other intangibles, net	1,231,727	1,204,432
Other long term assets	<u>76,020</u>	<u>76,360</u>
Total assets	<u>\$ 6,875,781</u>	<u>\$ 6,579,980</u>
Current liabilities	\$ 1,648,048	\$ 1,573,330
Long-term debt	1,871,076	1,823,303
Long-term liabilities - other	<u>368,428</u>	<u>354,815</u>
Total liabilities	3,887,552	3,751,448
Shareholders' equity	2,969,118	2,808,868
Non-controlling interest	<u>19,111</u>	<u>19,664</u>
Total shareholders' equity	<u>\$ 2,988,229</u>	<u>\$ 2,828,532</u>
Total Liabilities and Shareholders' Equity	<u>\$ 6,875,781</u>	<u>\$ 6,579,980</u>

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Unaudited
Three Months Ended
March 31,
2018

In thousands

Net cash provided by operating activities	\$ 24,200
Net cash used in investing activities	(43,865)
Net cash (used in) provided by financing activities	28,668
Effect of changes in currency exchange rates	<u>7,482</u>
(Decrease) increase in cash	16,485
Cash, beginning of period	<u>233,401</u>
Cash, end of period	<u><u>\$ 249,886</u></u>