

**WABTEC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND 2013**  
**(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	First Quarter <u>2014</u>	First Quarter <u>2013</u>
Net sales	\$ 695,249	\$ 615,510
Cost of sales	<u>(485,680)</u>	<u>(432,622)</u>
Gross profit	209,569	182,888
<i>Gross profit as a % of Net Sales</i>	30.1%	29.7%
Selling, general and administrative expenses	(70,081)	(64,300)
Engineering expenses	(12,946)	(11,334)
Amortization expense	<u>(4,696)</u>	<u>(3,587)</u>
Total operating expenses	(87,723)	(79,221)
<i>Operating expenses as a % of Net Sales</i>	12.6%	12.9%
Income from operations	121,846	103,667
<i>Income from operations as a % of Net Sales</i>	17.5%	16.8%
Interest expense, net	(4,450)	(3,614)
Other income (expense), net	<u>(17)</u>	<u>(581)</u>
Income from operations before income taxes	117,379	99,472
Income tax expense	<u>(37,245)</u>	<u>(29,859)</u>
<i>Effective tax rate</i>	31.7%	30.0%
Net income attributable to Wabtec shareholders	<u>\$ 80,134</u>	<u>\$ 69,613</u>
<b>Earnings Per Common Share</b>		
<b>Basic</b>		
Net income attributable to Wabtec shareholders	\$ 0.84	\$ 0.73
<b>Diluted</b>		
Net income attributable to Wabtec shareholders	\$ 0.83	\$ 0.72
Weighted average shares outstanding		
Basic	<u>95,529</u>	<u>95,025</u>
Diluted	<u>96,805</u>	<u>96,572</u>
<b>Sales by Segment</b>		
Freight Group	\$ 385,506	\$ 313,679
Transit Group	309,743	301,831
Total	<u>\$ 695,249</u>	<u>\$ 615,510</u>