

WABTEC CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Third Quarter <u>2012</u>	Third Quarter <u>2011</u>	For the Nine Months <u>2012</u>	For the Nine Months <u>2011</u>
Net sales	\$ 587,593	\$ 498,840	\$ 1,780,722	\$ 1,432,998
Cost of sales	<u>(416,314)</u>	<u>(351,689)</u>	<u>(1,266,635)</u>	<u>(1,009,908)</u>
Gross profit	171,279	147,151	514,087	423,090
<i>Gross profit as a % of Net Sales</i>	29.1%	29.5%	28.9%	29.5%
Selling, general and administrative expenses	(59,743)	(57,676)	(180,935)	(186,435)
Engineering expenses	(10,753)	(9,894)	(31,047)	(27,914)
Amortization expense	<u>(3,941)</u>	<u>(4,128)</u>	<u>(10,288)</u>	<u>(10,549)</u>
Total operating expenses	(74,437)	(71,698)	(222,270)	(224,898)
<i>Operating expenses as a % of Net Sales</i>	12.7%	14.4%	12.5%	15.7%
Income from operations	96,842	75,453	291,817	198,192
<i>Income from operations as a % of Net Sales</i>	16.5%	15.1%	16.4%	13.8%
Interest (expense) income, net	(3,070)	(3,764)	(10,303)	(11,241)
Other income (expense), net	<u>(1,393)</u>	<u>(1,529)</u>	<u>(1,284)</u>	<u>(1,479)</u>
Income from operations before income taxes	92,379	70,160	280,230	185,472
Income tax expense	<u>(29,385)</u>	<u>(23,560)</u>	<u>(93,263)</u>	<u>(61,586)</u>
<i>Effective tax rate</i>	31.8%	33.6%	33.3%	33.2%
Net income attributable to Wabtec shareholders	<u>\$ 62,994</u>	<u>\$ 46,600</u>	<u>\$ 186,967</u>	<u>\$ 123,886</u>
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 1.32	\$ 0.97	\$ 3.90	\$ 2.58
Diluted				
Net income attributable to Wabtec shareholders	\$ 1.30	\$ 0.96	\$ 3.85	\$ 2.56
Weighted average shares outstanding				
Basic	<u>47,643</u>	<u>47,874</u>	<u>47,732</u>	<u>47,827</u>
Diluted	<u>48,271</u>	<u>48,366</u>	<u>48,360</u>	<u>48,327</u>
Sales by Segment				
Freight Group	\$ 354,659	\$ 315,837	\$ 1,159,653	\$ 860,729
Transit Group	<u>232,934</u>	<u>183,003</u>	<u>\$ 621,069</u>	<u>\$ 572,269</u>
Total	<u>\$ 587,593</u>	<u>\$ 498,840</u>	<u>\$ 1,780,722</u>	<u>\$ 1,432,998</u>