

WABTEC CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Fourth Quarter <u>2013</u>	Fourth Quarter <u>2012</u>	For the Year Ended <u>2013</u>	For the Year Ended <u>2012</u>
Net sales	\$ 681,482	\$ 610,400	\$ 2,566,392	\$ 2,391,122
Cost of sales	<u>(481,357)</u>	<u>(429,920)</u>	<u>(1,802,365)</u>	<u>(1,696,555)</u>
Gross profit	200,125	180,480	764,027	694,567
<i>Gross profit as a % of Net Sales</i>	29.4%	29.6%	29.8%	29.0%
Selling, general and administrative expenses	(71,142)	(64,774)	(262,718)	(245,709)
Engineering expenses	(12,754)	(10,260)	(46,289)	(41,307)
Amortization expense	<u>(5,011)</u>	<u>(4,984)</u>	<u>(17,710)</u>	<u>(15,272)</u>
Total operating expenses	(88,907)	(80,018)	(326,717)	(302,288)
<i>Operating expenses as a % of Net Sales</i>	13.0%	13.1%	12.7%	12.6%
Income from operations	111,218	100,462	437,310	392,279
<i>Income from operations as a % of Net Sales</i>	16.3%	16.5%	17.0%	16.4%
Interest expense, net	(4,627)	(3,948)	(15,341)	(14,251)
Other income (expense), net	<u>951</u>	<u>614</u>	<u>(882)</u>	<u>(670)</u>
Income from operations before income taxes	107,542	97,128	421,087	377,358
Income tax expense	<u>(33,501)</u>	<u>(32,363)</u>	<u>(128,852)</u>	<u>(125,626)</u>
<i>Effective tax rate</i>	31.2%	33.3%	30.6%	33.3%
Net income attributable to Wabtec shareholders	<u>\$ 74,041</u>	<u>\$ 64,765</u>	<u>\$ 292,235</u>	<u>\$ 251,732</u>
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 0.77	\$ 0.68	\$ 3.05	\$ 2.62
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.76	\$ 0.67	\$ 3.01	\$ 2.60
Weighted average shares outstanding				
Basic	<u>95,768</u>	<u>95,154</u>	<u>95,463</u>	<u>95,469</u>
Diluted	<u>97,142</u>	<u>96,682</u>	<u>96,832</u>	<u>96,742</u>
Sales by Segment				
Freight Group	\$ 389,034	\$ 342,258	\$ 1,398,103	\$ 1,501,911
Transit Group	<u>292,448</u>	<u>268,142</u>	<u>\$ 1,168,289</u>	<u>\$ 889,211</u>
Total	<u>\$ 681,482</u>	<u>\$ 610,400</u>	<u>\$ 2,566,392</u>	<u>\$ 2,391,122</u>