

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

	Fourth Quarter <u>2014</u>	Fourth Quarter <u>2013</u>	For the Year End <u>2014</u>	For the Year End <u>2013</u>
Net sales	\$ 820,866	\$ 681,482	\$ 3,044,454	\$ 2,566,392
Cost of sales	<u>(566,569)</u>	<u>(481,357)</u>	<u>(2,108,472)</u>	<u>(1,802,365)</u>
Gross profit	254,297	200,125	935,982	764,027
<i>Gross profit as a % of Net Sales</i>	31.0%	29.4%	30.7%	29.8%
Selling, general and administrative expenses	(93,117)	(71,142)	(324,539)	(262,718)
Engineering expenses	(18,328)	(12,754)	(61,886)	(46,289)
Amortization expense	<u>(5,889)</u>	<u>(5,011)</u>	<u>(22,448)</u>	<u>(17,710)</u>
Total operating expenses	(117,334)	(88,907)	(408,873)	(326,717)
<i>Operating expenses as a % of Net Sales</i>	14.3%	13.0%	13.4%	12.7%
Income from operations	136,963	111,218	527,109	437,310
<i>Income from operations as a % of Net Sales</i>	16.7%	16.3%	17.3%	17.0%
Interest (expense) income, net	(4,005)	(4,627)	(17,574)	(15,341)
Other income (expense), net	<u>(1,752)</u>	<u>951</u>	<u>(1,680)</u>	<u>(882)</u>
Income from operations before income taxes	131,206	107,542	507,855	421,087
Income tax expense	<u>(38,520)</u>	<u>(33,501)</u>	<u>(156,175)</u>	<u>(128,852)</u>
<i>Effective tax rate</i>	29.4%	31.2%	30.8%	30.6%
Net income attributable to Wabtec shareholders	<u>\$ 92,686</u>	<u>\$ 74,041</u>	<u>\$ 351,680</u>	<u>\$ 292,235</u>
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 0.96	\$ 0.77	\$ 3.66	\$ 3.05
Diluted				
Net income attributable to Wabtec shareholders	\$ 0.95	\$ 0.76	\$ 3.62	\$ 3.01
Weighted average shares outstanding				
Basic	<u>95,894</u>	<u>95,768</u>	<u>95,781</u>	<u>95,463</u>
Diluted	<u>97,056</u>	<u>97,142</u>	<u>96,885</u>	<u>96,832</u>
Sales by Segment				
Freight Group	\$ 481,140	\$ 389,034	\$ 1,731,477	\$ 1,398,103
Transit Group	<u>339,726</u>	<u>292,448</u>	<u>\$ 1,312,977</u>	<u>\$ 1,168,289</u>
Total	<u>\$ 820,866</u>	<u>\$ 681,482</u>	<u>\$ 3,044,454</u>	<u>\$ 2,566,392</u>